



Office of the Director
Oregon Economic Development Association
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Representative Pam Marsh
Room H-474
900 Court St. NE
Salem, Oregon 97301

Chair Marsh and Members of the Oregon House Committee on Climate, Energy and Environment:

OEDA is a statewide non-profit organization working to support economic development professionals on the front line of diversifying and expanding Oregon's economy. Our members work directly with our local governments and existing or prospective companies looking to invest and bring long-term, well-paying jobs throughout the state.

Our members are concerned with the implications of HB 2816, both with the general message it sends about Oregon's willingness to embrace specific industries as well as the specific risks by targeting the enterprise zone program.

While we applaud Oregon's efforts to lead on climate related issues, this policy is potentially misplaced in its focus on one particular industry or type of facility. Targeting one category of investment can have broader implications for Oregon's ability to attract the best jobs to our state – and the communities in greatest need of these investments and job creation. Setting specific energy goals for one type of facility, while well intentioned, can ripple through sectors, leaving Oregon with a tarnished reputation and uncertainty that is likely to risk other investment in facilities like tech manufacturing. Data centers are an important part of Oregon's tech ecosystem, an ecosystem the legislature is currently prioritizing efforts to recruit and retain. Further, according to the Intergovernmental Panel on Climate Change "Digital technologies can contribute to mitigation of climate change..."¹ Data centers have been critical in generating construction jobs, workforce training, and long-term jobs in some of our most economically disadvantaged regions. The facilities also generate continued economic activity and travel to cities ranging from Prineville to Pendleton to Hillsboro. Oregon's favorable environment for renewable energy means siting these facilities here is more sustainable than locations in other regions. Finally, these facilities, while some receiving short-term property tax abatement, will generate significant property tax revenues.

More specifically, tying the renewable energy goals to enterprise zone eligibility complicates the very work our economic development professions do. The value of tools like enterprise zones is that they provide near and medium-term certainty for prospective project investment. This proposal would undermine the deals our members have negotiated, and risk current potential investment in our state. The enterprise zone tool itself is one of our local government's most valuable assets in attracting investment, and in turn, building long-term partnerships with a wide variety of industries and companies. In fact, extending the program is one of the core tenants of the Legislature's current semi-conductor work, and would be a critical component to any

¹ See *Intergovernmental Panel on Climate Change, Climate Change 2022 Mitigation of Climate Change, Summary for Policy Makers* (https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SPM.pdf, B.4.3 pg 15)



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CHIPS ACT application. We hope you will understand the potential optics and technical concerns with including enterprise zones in this proposal.

Thank you for your review and consideration of our concerns on this issue.

Sincerely,

Caitlyn Quwenikov
Executive Director, Oregon Economic Development Association (OEDA)

Erika Fitzgerald
President, OEDA