



Testimony by City of Wilsonville Mayor Julie Fitzgerald Supporting HB 2663:

Legislation Provides State Funding Support of Infrastructure that Assists Local Governments to Produce High-Wage Industrial Jobs Benefiting the State

Scheduled for public hearing on Feb. 23, 2023, before the
House Committee on Economic Development and Small Business

Chair Bynum, Vice-Chairs Morgan and Nguyen, and Members of the Committee:

I am testifying in support of HB 2663, which reauthorizes and funds the Business Oregon Regionally Significant Industrial Sites (RSIS) Program.

Local governments in Oregon have few tools to fund the key infrastructure that is required to produce “shovel-ready” industrial development sites. Additionally, cities have little incentive to zone land as industrial as it produces the lowest assessed value per acre compared to residential and commercially zoned land.

The State of Oregon, however, is the greatest beneficiary of industrial occupations in manufacturing and wholesale distribution that produce family-wage income. As a state that relies on income tax as the principal source of state revenue, encouraging high-wage industrial jobs directly benefits the State.

Just expanding Urban Growth Boundaries (UGB) does nothing to produce “shovel-ready” industrial lands — the challenge of serving those lands with infrastructure to make them truly shovel-ready development sites remains. Additionally, the state has hundreds of acres of contaminated “brownfield” industrial sites already served by urban infrastructure but are unable to be utilized until cleaned-up for productive use.

The private sector has demonstrated a lack of ability or desire to “sink” money in the ground to fund site-preparation infrastructure. Increasingly, the public sector is called on to be the source of patient capital that funds key infrastructure, which has a longer pay-back time. The RSIS program allows State loans to local governments to be forgiven up to 50% of the site preparation cost, based on performance, as well as tax-sharing arrangement where 50% of the annual corporate and personal income tax revenues from the industrial site reimburse the public investment up to the total site-preparation cost.

The City appreciates your consideration and urges a Do-Pass vote on HB 2663. Thank you.

Sincerely,

Julie Fitzgerald, Mayor
City of Wilsonville