



**Testimony by City of Wilsonville Economic Development Manager
Matt Lorenzen in Support of 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:

The City of Wilsonville supports HB 2663, which extends the sunset and appropriates up-front funds for the Business Oregon Regionally Significant Industrial Sites (RSIS) Program to help local governments advance infrastructure to serve industrial sites.

Cities have only one principal financing tool to advance infrastructure to create “shovel-ready” industrial sites: urban renewal, also known as tax increment financing or “TIF.” However, urban renewal is politicized in some communities, and its ability to make investments today is limited due to the time it takes to generate increased tax-increment to pay bonds that fund infrastructure for new development. And while \$50 million may sound like a lot of money, in reality it is not much to fund industrial infrastructure on a statewide basis; nearly any city could use that amount.

RSIS is a much needed program to support the investments cities make to bring more employment land online. But the program’s potential is not yet realized. While there have been a dozen or so applications approved, the RSIS program has not been funded and is unable to provide cities with development funds up-front. Funds are only available to cities on a reimbursement basis, tied to job creation, which may not occur for years after an infrastructure project is completed. This puts the burdens and risks of speculative debt and carrying costs squarely on the shoulders of cities.

Wilsonville is considering applying to participate in the RSIS program based on a sunset extension and potential access to development funds. Wilsonville has ripe opportunities in our Coffee Creek Regionally Significant Industrial Area (RSIA) and Basalt Creek and West Railroad UGB industrial areas, in addition to several infill sites when costly infrastructure projects are completed to support them.

Thank you for your consideration of this testimony in support of HB 2663.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Lorenzen", with a long horizontal line extending to the right.

Matt Lorenzen, Economic Development Manager
City of Wilsonville