

**Testimony of Anneliese Koehler, Legislative Affairs Manager**  
**In Support of House Bill 2258**  
**House Committee on Economic Development and Small Business**  
**February 23, 2023**



Metro is the elected regional government that serves nearly 1.7 million people in the 24 cities and three counties of the Portland metropolitan area. We provide a broad range of public services that includes land use and transportation planning, solid waste and recycling operations, housing and homeless services, management of parks and natural areas, and operation of major visitor facilities like the Oregon Convention Center and the Oregon Zoo.

Metro supports HB 2258, which extends the sunset on the Oregon Industrial Site Readiness Program and invests \$40 million into the fund.

Metro has long been a leader in supporting the industrial land needs of our region. Every six years, we partner with local jurisdictions, business leaders and economists to identify the employment lands needed through our urban growth management process. Through that process, we discovered that the biggest barrier to new industrial development in our region is not land supply, but whether land is ready for development.

In 2011, Metro joined with public and private sector partners to complete a comprehensive review of the market-readiness of the Portland region's inventory of industrial sites of 25 acres or more. The study found that our region has many places where high-paying manufacturing and other traded-sector jobs can grow, but these sites often require investment to make them ready for new employers to develop. These investments and actions include regulatory approvals (permitting, mitigation), infrastructure (sewer, water, transportation, fill), site aggregation, brownfield cleanup, and state/local actions (land division, rezoning, annexation).

Another key finding was that the biggest public beneficiary when these lands are brought into productive traded-sector use is the state general fund, through increased personal income tax revenues. This finding suggested that the state has an interest in providing up-front financing for site preparation when landowners and local governments are otherwise unable to address the constraints that prevent the land from being market-ready.

This study became the impetus for the passage in 2013 of the Oregon Industrial Site Readiness Program which authorized Business Oregon to provide either reimbursement or partially forgivable loans to local project sponsors to support investments that could overcome constraints and make industrial sites market ready. However, funding was not provided to implement the forgivable loan fund and subsequent efforts to capitalize the fund have failed.

HB 2258 extends the sunset on the Oregon Industrial Site Readiness Program for another ten years, maintaining a crucial tool for local governments to make industrial sites development ready. It also allocates \$40m to fund forgivable loans for entities who are unable to afford the upfront costs of development. Together, these two components provide a critical tool to ensure that industrial land statewide is ready for economic opportunities and growth. Metro urges the Legislature to pass HB 2258 and provide a much-needed tool to help grow our state's economy.