



February 28, 2023

House Committee on Economic Development and Small Business

RE: Support for HB 2558 & HB 2663

The League of Oregon Cities (LOC) is an intergovernmental association which represents all of Oregon's 241 cities across the state.

The LOC supports HB 2258 & HB 2663, which both extend the sunset of the industrial site readiness (RSIS) program and allocates \$40 M and \$50 M to fund the program respectively.

The legislature created the industrial site readiness program in 2013 to assist local governments with the cost of making industrial lands ready for development.

The program allows local governments to seek reimbursement for certain site readiness activities on lands the local government owns or sponsors on behalf of a private owner. Reimbursements are funded by state income taxes garnered from developments that occur on the site. Reimbursable activities include land acquisition, site assembly, environmental remediation and mitigation, infrastructure and transportation improvements, and site grading.

For companies that locate on the site, there are employee wage thresholds:

- On rural sites, companies must employ at least 25 full-time employees with wages at least 150% of the county or state average, whichever is less.
- On urban sites, there must be at least 50 full-time employees with wages at least 150% of the county or state average, whichever is less.

Without action, this program sunsets July of this year. Business Oregon stopped receiving applications in December 2022.

Local governments simply lack the resources on their own to furnish the costs of developing industrial lands for commercial activity. Many cities own lands with great potential for economic growth and shared state investment can help make their economic development goals a reality.

Investments to make lands shovel ready have a domino effect on economic activity in the region, infrastructure improvements, increased private investment and wage growth.

The LOC urges extending the industrial site readiness program with stable funding.

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