

February 6, 2024

TO: Chair Bynum, Vice-Chairs Diehl and Nguyen and members of the House Economic Development and Small Business Committee

FROM: Andrew Desmond, Director of Economic Development, Oregon Business Council

RE: Support for RSIS Reauthorization and Capitalization

I am writing to express Oregon Business Council's strong support for HB 4042, which will reauthorize the Regionally Significant Industrial Sites (RSIS) program at Business Oregon and fund the Industrial Site Loan Fund, which will help small jurisdiction bring industrial employers to their jurisdictions. The bill calls for \$40 million for the loan fund – any funding will be a good start, as there is an estimated \$500 million in site readiness work to be done in this state.

SB 4 represented a very strong first step on the road to making Oregon competitive for CHIPS applications. It recognized and acted on industry's call for cash-aid to help offset their upfront capital costs, and it provided a bold step to make available the industrial land we need for this opportunity available on an expedited timeframe.

But the land provisions contained in SB 4 alone will not allow us to maximize the opportunity. That's because even if the Governor exercises her SB 4 granted land use powers, the state will need hundreds of millions of dollars in resources to ready that land for development, including for land acquisition and site aggregation, planning and engineering, road access, water and sewer planning, etc.

The need for industrial land readiness funding is not isolated to support for the semiconductor industry, with action supporting all manufacturing types across all of Oregon. A [survey](#) conducted by League of Oregon Cities, Oregon Economic Development Association, and the Oregon Business Council found that of nearly 10,000 acres reported by 66 cities, only 21% is development ready. As a result, 57% of survey respondents reported missing economic development opportunities in their target industries.

Federal industrial policy and corporate imperatives to increase supply chain resiliency in the face of shocks is driving a manufacturing renaissance across the country and in Oregon. In only year two of the five year CHIPS Act and with nearly a decade more of federal Inflation Reduction Act incentives for the manufacture of technologies that store or enable the use of clean energy, opportunity abounds. But, as with semiconductors, land may limit the state's ability to seize the opportunity.

Reauthorizing and capitalizing the RSIS program will provide critical funding to immediately begin whittling away at the state's industrial land backlog.

Respectfully submitted,

Andrew Desmond