



February 6, 2024

House Committee on Economic Development and Small Business

RE: Support for HB 4042

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 4042, which extends the sunset of the Regionally Significant Industrial Site (RSIS) program and capitalizes the Industrial Site Loan Fund with \$40 M.

In 2023, the League of Oregon Cities, Oregon Economic Development Association and Oregon Business Council conducted a statewide [Industrial Lands Survey](#). Survey respondents, the vast majority of which are local governments, identified the number of industrial sites they have, their state of readiness, the barriers to development readiness and whether the lack of market ready industrial land was limiting economic development opportunities.

The survey found:

- Only 21% of land identified in the survey is ready for development; the other 79% of industrial land requires some level of investment to be market ready.
- Respondents (approx. 1/3 of the state) reported a total of 9,746 acres zoned industrial across Oregon.
- The vast majority of the investment needed is infrastructure – water, sewer, electric and transportation.
- 57.5% indicated they have missed opportunities due to a lack of development ready industrial land.

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

The program allows local governments to recoup some of the cost of readiness activities, the vast majority of which are infrastructure investments. Reimbursements are funded by income taxes that are generated by traded-sector jobs on the site.

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

- 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.

Twelve Regionally Significant Industrial Sites have been designated and approved. This list includes nine rural areas and three urban areas and includes the Cities of Hillsboro, Klamath, Madras, Millersburg, Pendleton, Redmond, Scappoose, Waldport, and Wilsonville. The RSIS program expired in July 2023 and Business Oregon stopped accepting applications in December 2022.

Cities need a way to fund the necessary infrastructure which includes public facilities such as roads, sidewalks, streetlights, water, and wastewater treatment to potential industrial sites so that we can make use of stalled, vacant industrial properties and bring them to new productive uses that create jobs and generate new revenues for the state and local governments.

The LOC urges extending the industrial site readiness program and capitalizing the Industrial Site Loan Fund with \$40 M.

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