

February 10, 2025

Chair Pham
Senate Committee on Housing and Development
900 Court Street NE
Salem, Oregon 97301

RE: Letter of Support for Senate Bill 967 - Local Improvement Districts outside of city limits.

Dear Chair Pham and members of the Committee,

Economic Development for Central Oregon (EDCO) strongly supports SB 967, which amends Oregon Statute 223.389(8) to allow the formation of Local Improvement Districts (LIDs) outside of city limits.

Infrastructure costs continue to skyrocket while communities struggle with existing System Development Charges methodology to cover the cost of infrastructure, particularly when shared infrastructure like major roads and large water or wastewater systems is required.

Allowing Local Improvement Districts in Urban Growth Boundary (UGB) expansion areas will address a significant challenge faced by cities and counties when developing land with multiple owners. When UGBs are expanded, especially in areas with numerous property owners, shared infrastructure such as roads and utilities become a critical issue. Currently single-owner lands can handle infrastructure development through phased projects. In multi-owner situations, however, coordination and funding for essential infrastructure like major roadways and wastewater systems become a complex challenge. LIDs provide a proven mechanism for pooling resources among property owners to fund these shared infrastructure needs. By enabling cities and counties to create LIDs in unincorporated UGB areas, local governments can better support development and foster economic growth while mitigating the financial burden on property owners.

A minor adjustment to state law clarifying the authority for cities and counties to collaborate on establishing LIDs in unincorporated UGB areas would unlock the potential for more efficient infrastructure funding mechanisms. The proposed change to ORS 223.389(8) would empower local governments to enter into intergovernmental agreements to create LIDs, ensuring that infrastructure projects critical to housing and economic development can proceed smoothly. This change would not only enhance development related to situations with multiple property owners but also align with the State's goal of integrating non-resource land into UGBs. Clarifying the legal framework for LIDs would facilitate the timely provision of essential infrastructure and overcome current barriers to development in areas like southeast Bend, which has seen stagnation due to the high costs of shared infrastructure.

This type of public, private partnership would deliver necessary capital improvement dollars well ahead of the development process, while allowing property owners time to pay it as needed. This tool will help deliver

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infrastructure to housing, commercial and industrial properties, which will support Oregon communities in meeting their housing, economic development and place setting goals.

EDCO is a private, non-profit organization serving the tri-county region of Crook, Deschutes and Jefferson Counties whose mission is to promote sustained job growth and prosperous communities through traded-sector industry growth. Our client base includes some of the highest paying companies who contribute to a large percentage of the tax base in Central Oregon.

We hope you will join us in supporting SB 967. If you have any questions regarding my comments, please feel free to reach out to me directly. We appreciate the opportunity to share our perspective.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Stark", written over a light blue horizontal line.

Jon Stark, CEO
Economic Development for Central Oregon

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