



February 10, 2025

Representative Nguyen, Chair
House Committee on Economic Development and Small Business
900 Court St. NE
Salem, OR 97301

RE: Support for HB 2411

Dear Chair Nguyen and Members of the House Committee on Economic Development, Small Business and Trade:

Thank you for the opportunity to write in support of HB 2411. Last week you heard a presentation from Oregon Business and Industries (OBI) on the business climate in Oregon. The takeaway from that presentation is that Oregon is quickly and comprehensively losing its competitive advantage to other states. The data calls for a swift policy response from the Legislature this session, and HB 2411 is a positive step in the direction we need to go. But let's not overstate the impact of HB 2411, which will be helpful if funded but far from the aggressive response that is needed to address the deficiency of ready industrial land in Oregon. In Hillsboro alone, the city and its utility partners have invested over \$100 million in infrastructure over the past six years to make the very little industrial land left ready for investment, and the remaining infrastructure needs far outpace the investments made to date. This investment has resulted in the creation of approximately 1,300 jobs over that same 6 years providing family wage jobs and income tax to our state.

That is just one city. There are 240 other cities in Oregon, each with their own specific need for ready industrial land.

By way of example, one key project in the North Hillsboro Industrial Area that addressed sewer capacity for several hundred acres of land totaled \$12,000,000. Compare that to the \$10 million SB 4 (2023) appropriated for the Industrial Lands Loan Program (ILLP), the only time in recent history where the state has appropriated funding for industrial site readiness. To date, \$8.9 million in forgivable loans has been allocated to five projects. On average \$1.78 million for each recipient. While better than nothing, it would be a disservice to categorize the ILLP as anything but insufficient. Similarly, HB 2411, even at the \$40 million level, is but a drop in the bucket compared to the statewide need. We must also take this opportunity to remind the Legislature that high technology manufacturing – semiconductors specifically – is Oregon's largest traded sector industry. High technology manufacturers have specific land needs. Namely, they require land, and there just isn't sufficient land capacity in Oregon – an issue not addressed with HB 2411. That would be true even if every industrial site in the state was ready for development right now. High technology manufacturing requires large greenfield sites. Infill and redevelopment areas simply do not work.

As OBI noted last week, Oregon is rapidly losing ground to other states who are organized and decisive in growing manufacturing. On top of ready industrial land, states like New York, Ohio, California, Indiana, and Arizona have implemented comprehensive strategies that include actions like streamlined

permitting processes, tax incentives, and cash grants. They are winning at the expense of present and future Oregonians.

In summary, please pass HB 2411 and ensure it is funded in the Ways and Means process. But don't stop there. Make economic development a top legislative priority so Oregon can compete on the global stage and retain its leadership in high technology manufacturing

Sincerely,

Dan Dias
Economic and Community Development Director