

March 18, 2025

**TO:** Members of the Joint Subcommittee on Trade and Economic Development

**FR:** Duke Shepard, Oregon Business & Industry

**RE:** Testimony on HB 5024

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Co-Chairs Woods and Gomberg, members of the subcommittee, my name is Duke Shepard, and I'm a Senior Policy Director at Oregon Business and Industry.

OBI is a statewide association representing businesses across a wide variety of industries from all 36 of Oregon's counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 75% of which are small businesses, employ over 250,000 Oregonians. Oregon's private-sector businesses drive a healthy, prosperous economy for the benefit of everyone.

I want to state for the record that OBI does not receive any resources from Business Oregon, in any form. I also need to clarify that another OBI is represented in testimony, which is the Oregon Bioscience Incubator; they're great, but Oregon Business & Industry is separate. I'm here today to highlight specific elements of the GRB and HB 5024.

First, I'd like to express our support for Policy Option Packages to provide funding for brownfields rehabilitation and, especially, industrial land infrastructure financing. In terms of Oregon's hierarchy of economic development needs, industrial land ranks near the top – it offers a clear, long-term return on investment that benefits the entire state and multiple industries. We believe \$40M is the place to start, and we would support even more.

OBI also reiterates our support for POPs 101 and 102 for dredging and container port infrastructure.

Additionally, OBI supports continued and increased funding for the Oregon Manufacturing Extension Partnership.

At the time of the GRB release, we expressed concern about cuts to the Oregon Metals Initiative and Oregon Manufacturing Innovation Center. We believe policymakers should further explore the wisdom of those cuts, especially in light of Oregon's targeted industries and the ongoing manufacturing recession (a term used by the state's own economist), as the budget is finalized.

Finally, at a higher level, we want to raise our concerns about capacity and focus.

I want to state plainly that we do not question the effort or commitment at Business Oregon in pursuing the tasks assigned in policy. However, it's fair to say that policy decisions over the decades have left our economic development agency with a myriad of programs, stretching focus.

This small agency manages everything from funding childcare centers' construction to supporting grants to nonprofits to retaining and welcoming internationally competitive businesses. Further, Oregon's economic development department does not have the resources or capacity to truly lead a competitive statewide economic development strategy, at least not compared to the other states vying to recruit existing Oregon businesses and attract those who may otherwise come to Oregon. This agency is unlike others. Its purpose is to generate greater economic activity, which in turn supports individuals, families, communities and local and state government services. Investing in Business Oregon and proven economic development tools is all about building a return on that investment.