

May 9, 2025

Joint Committee on Ways and Means Subcommittee on Capital Construction
900 Court Street NE
Salem, OR 97301

Dear Co-Chairs Girod and Nosse and Members of the Subcommittee,

I am writing today to encourage your support for Senate Bill 5531, which authorizes funds the Industrial Site Loan Fund as a component of Business Oregon's Regionally Significant Industrial Sites Program, allocating \$40 million in forgivable loans for the upfront costs of industrial development.

Industrial site readiness plays a critical role in the state's ability to recruit new traded sector companies to Oregon but also to support the expansion of growing Oregon companies. The lack of shovel ready industrial land critically affects Oregon's competitive advantage in these recruitment and retention activities. Because local entities lack the funding to tackle the required site readiness activities, capitalizing the Industrial Site Loan Fund is a good start to address these challenges.

Recent land inventories have shown that the majority of undeveloped industrially zoned properties in the Portland Metro region will require 30 months or more to become shovel ready due to significant development constraints, including utility and transportation infrastructure, wetland mitigation, along with other development constraints. There is a significant need for resources to address these site development challenges.

In 2023, Gresham Mayor Travis Stovall served as Chair of the Subcommittee on Industrial Lands on the Semiconductor Task Force chaired by Governor Kotek. As Chair, he was deeply involved in conversations with partners across the state about how to address these challenges. They learned that a lack of development-ready industrial land posed a significant barrier to the growth of the industry in Oregon; therefore, support for industrial land readiness was a key recommendation of this task force.

As City Manager, I know that employment lands play a key role for local governments by providing stable tax revenue for essential services such as roads, water and sewer, public safety, schools, libraries and parks. Given that local governments in Oregon have limited tools to fund the key infrastructure that is required to produce shovel-ready industrial sites, **I encourage your support for SB 5531**, which would provide the critical, up-front capital needed to make industrial sites shovel ready and will give local governments a tool to help to maintain Oregon's competitive advantage.

Sincerely,

Eric Schmit, Gresham City Manager

