

Testimony in Opposition to SB 1586

Regarding: Land Use Certainty, Industrial Definitions, and Utility Cost Impacts Submitted by: Alexey Tazov, Resident, Washington County (Hillsboro area)

Chair and Members of the Committee,

I respectfully submit this testimony in opposition to SB 1586 in its current form.

My concerns are not about economic development itself. I support thoughtful industrial growth and recognize Hillsboro's long-standing role in advanced manufacturing and high-technology industries. My concern is that SB 1586, as drafted, lacks sufficient definitional clarity and utility cost protections to ensure the intended outcomes are achieved without unintended consequences for residents.

1. Lack of Clear Definition: "High-Tech" and "Advanced Manufacturing"

SB 1586 restricts certain lands from being zoned or developed as stand-alone data storage or information centers unless such facilities are "accessory to or part of" high-technology or advanced manufacturing uses.

However, the bill does not clearly define what qualifies as "high-technology," "advanced manufacturing," or what constitutes "accessory to or part of." Without objective thresholds such as square footage ratios, employment density requirements, or revenue-based criteria, these terms remain open to broad interpretation.

In practice, companies could potentially build minimal qualifying manufacturing facilities and attach significantly larger data processing infrastructure, structure projects through affiliated corporate entities to satisfy technical compliance while functionally operating large-scale data centers, classify data-intensive R&D; or digital simulation infrastructure as advanced manufacturing support, or phase projects over time so that computing infrastructure eventually dominates the campus footprint.

If the legislative intent is to prioritize job-dense, production-oriented advanced manufacturing, clearer statutory standards are necessary to prevent regulatory ambiguity.

2. Risk of De Facto Data Center Development

Although SB 1586 attempts to restrict stand-alone data centers on specific lands, the absence of proportionality standards creates a pathway where large-scale data processing infrastructure could effectively operate under the umbrella of high-tech classification.

This creates uncertainty for residents, local governments, utility providers, and agricultural stakeholders. Land-use policy should provide clarity and predictability, not ambiguity that increases litigation risk and long-term planning instability.

3. Utility Infrastructure Concerns: Water and Energy Demand

Large-scale data centers are resource-intensive operations. Even when modern and efficient, they typically require significant electrical capacity, substation expansion and transmission upgrades, high-capacity cooling systems, and substantial water withdrawal or water-intensive cooling infrastructure.

SB 1586 does not include water use reporting requirements, energy intensity standards, cost allocation safeguards, infrastructure funding protections for ratepayers, or requirements for self-funded utility expansions.

If substantial new industrial load requires transmission line upgrades, new substations, water treatment expansion, or distribution infrastructure reinforcement, it is unclear how those capital costs will be allocated.

If utility providers socialize those capital expenditures across ratepayers, residents could face increased electricity rates, water and sewer rates, and system development charges.

Residents should not bear the long-term financial burden of industrial-scale infrastructure expansion unless cost recovery mechanisms are explicitly structured to prevent cross-subsidization.

4. Lack of Utility Cost Safeguards in the Bill

While SB 1586 accelerates permitting timelines, it does not require transparent infrastructure cost impact analysis, binding agreements ensuring industrial users fund required upgrades, caps on ratepayer exposure, or public reporting on projected load growth impacts.

Economic development should not proceed without financial transparency regarding infrastructure consequences.

5. Agricultural and Long-Term Planning Considerations

Conversion of farmland for industrial use is significant and irreversible. Before doing so, the legislature should ensure clear statutory definitions, strict guardrails preventing unintended land use outcomes, full cost transparency for residents, infrastructure funding protections, measurable job density requirements, and accountability standards.

Requested Amendments:

1. Define “advanced manufacturing” and “high-technology” with objective criteria.
2. Establish proportionality standards for accessory data infrastructure.
3. Require minimum job density per acre.
4. Mandate water and energy use reporting.
5. Require infrastructure cost allocation agreements that protect residential ratepayers.
6. Require independent public utility impact studies prior to approval.

Conclusion:

Oregon has long balanced economic growth with responsible land-use planning and ratepayer protection. SB 1586, as currently drafted, does not provide sufficient certainty to ensure that outcome.

I urge the committee to amend the bill to strengthen definitions and infrastructure safeguards or reconsider its current form.

Respectfully, Alexey Tazov Washington County Resident