



**Administrative
Offices**

TO: Senator Girod
Representative Nosse
Senator Frederick
Senator Lieber
Senator McLane
Senator Wagner
Representative Elmer
Representative Kropf
Representative Nathanson
Representative Smith

FROM: Mark Morgan, Manager- Greater Hermiston Enterprise Zone

DATE: March 1, 2026

SUBJECT: HB4084 – Oppose B24 Amendment

As the Manager of the Greater Hermiston Enterprise Zone for the past 13 years, I write to oppose the -B24 Amendment to HB4084, which specifically bans data centers from certain Enterprise Zone benefits for a period of time.

I'm afraid that this is a populist concept that 'feels good' for a vocal interest group, when in reality it will accomplish the exact opposite of what's intended, namely resulting in less tax revenue long term for local governments as well as the State School Fund. This amendment will also do real harm to thousands of Oregon Trade Union Members who depend on data center construction during this economic cycle. I'm also concerned about the un-intended consequences of removing a "tool from the toolbox" for local economic developers. Finally I have very strong concerns about the dangerous precedent that this seemingly innocuous step sets.

The first meeting of the Governor's Data Center Advisory Committee on February 27 heard testimony from data center experts that, regardless of Oregon's existing data center deployments, the industry does in fact have many other investment opportunities across the country and world, and that Oregon is rapidly losing market-share as investment is already going elsewhere. While a 'moratorium' sounds like good governance, in fact it will lead to investments going elsewhere during that time, and that means the resulting value is lost forever. This means less long-term revenue for providing local public services, as well as less long-term local revenue to support the State School Fund.

Governor Kotek's Data Center Advisory Committee also heard on Friday from representatives of most of Oregon's largest construction trade industry unions. They made it very clear that their skilled workers find data center construction to be extremely valuable in being able to provide for their families. Several of them even expressly stated opposition to any kind of 'moratorium,' because while short-term

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moratoriums may sound minor to salaried government bureaucrats, they place thousands of Oregon households in real financial limbo as the unions have to idle workers due to lack of work, but probably worse, they can't put them to work by bidding other projects because they have to be prepared for when the moratorium is lifted.

“When all you have is a hammer, every problem looks like a nail.” This amendment removes a valuable, and precise, tool from the toolbox of Oregon’s local economic development professionals. It serves a very specific purpose, and depending on the investment, may be the best public policy option. Taking this tool away is likely to result in local economic developers utilizing other tools which still result in Data Center Construction, but end up with worse outcomes for the public. In other words, this amendment will leave us only with “hammers” when the public would really benefit most by allowing us to use a screw driver.

Finally, the Enterprise Zone program has proven to be an extremely valuable tool for creating jobs and tax base in rural Oregon, and I’m concerned that this amendment will get the elephant’s truck under the tent and set the precedent to further eroding local control in economic development.