

Minority Report
B-Engrossed
Senate Bill 1544

Ordered by the House February 21
Including Senate Amendments dated February 9 and House Minority
Report Amendments dated February 21

Sponsored by nonconcurring members of the House Committee on Transportation and Economic Development:
Representatives HUNT, J SMITH

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Exempts City of Redmond from statewide land use planning goal related to transportation planning and administrative rules that implement goal with respect to development of Southeast Redmond Employment Site. Specifies requirements for such development. Sunsets January 2, 2015.

Increases, for biennium beginning July 1, 2011, amount of lottery bonds State Treasurer may issue for purpose of financing grants and loans for multimodal transportation projects. Requires Department of Transportation to collect certain information about Class I railroads funded by such grants or loans.

Authorizes, for biennium beginning July 1, 2011, issuance of lottery bonds for financing low-interest loans for water and sewer infrastructure projects and for financing specified community college projects.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to economic development; creating new provisions; amending section 20, chapter 624,
3 Oregon Laws 2011; and declaring an emergency.

4 Whereas Oregon needs a reliable supply of large-lot, high-value employment sites to attract in-
5 vestment and create jobs for Oregonians and to be competitive for employment projects on a re-
6 gional, national and global scale; and

7 Whereas the City of Redmond contains a developable site of approximately 465 acres that is
8 unique in this state, in that it is a large site that can be served readily with infrastructure, is ad-
9 jacent to the city's employment and industrial lands, is adjacent to Oregon Route 126 and is close
10 to the Redmond airport; and

11 Whereas the need for the site is of statewide strategic economic development importance; and

12 Whereas development on the site contributes so significantly to the state's economy, job base
13 and ability to provide services that focused regulatory relief is a wise investment; and

14 Whereas this property was zoned industrial in the original comprehensive plan for the city; and

15 Whereas the city zoned the site Open Space Park Reserve in 1980 at the request of Deschutes
16 County for a fairgrounds project; and

17 Whereas Deschutes County relocated the fairgrounds project to another site, and the city has
18 been trying to restore the industrial zoning on the site since 2000; and

19 Whereas the city has adopted a framework plan for the site that identifies industrial zoning and
20 service commercial zoning; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 Whereas the city is not able to rezone the property to support economic development opportu-
2 nities because of constraints associated with the ability to fund transportation system improvements
3 identified through compliance with administrative rules adopted to implement a statewide land use
4 planning goal related to transportation planning and other transportation-related regulations; and

5 Whereas resources have not been identified on the property that must be inventoried under a
6 statewide land use planning goal related to protection of natural resources and conservation of
7 scenic and historic areas and open spaces; and

8 Whereas the city has determined that phased transportation improvements to mitigate traffic
9 impacts associated with development of the high-value employment site are reasonable; and

10 Whereas the site is a unique site that was previously reserved for industrial opportunities; and

11 Whereas the site could be leveraged for regional, national and global recruitment opportunities;
12 and

13 Whereas the city recognizes that rezoning and development of the site may result in additional
14 motor vehicle traffic congestion on transportation facilities and that other providers of transporta-
15 tion facilities would not be expected to provide additional capacity for motor vehicles in response
16 to the congestion; now, therefore,

17 **Be It Enacted by the People of the State of Oregon:**

18 **SECTION 1. (1) As used in this section, “Southeast Redmond Employment Site” means**
19 **the approximately 465 acres of real property that are located within the City of Redmond**
20 **and:**

21 (a) **Are bounded roughly on the north by East Antler Avenue between Southeast 9th**
22 **Street and Southeast 17th Street and the coterminous city limit and urban growth boundary,**
23 **on the east by Southeast 17th Street and the coterminous city limit and urban growth**
24 **boundary, on the south by Oregon Route 126 and on the west by Southeast 9th Street;**

25 (b) **Can be identified as tax lots 1513150000100, 1513150000101 and 1513150000102 and that**
26 **portion of 1513000000103 lying within section 14 and located within the city on the effective**
27 **date of this 2012 Act; and**

28 (c) **Are zoned under the Redmond Comprehensive Plan as Open Space Park Reserve.**

29 (2) **Notwithstanding a statewide land use planning goal related to transportation planning**
30 **and administrative rules that implement the goal, and for the purpose of facilitating the de-**
31 **velopment of the Southeast Redmond Employment Site, the city may adopt changes to the**
32 **Redmond Comprehensive Plan and Zone Map to implement the Eastside Framework Plan**
33 **adopted by the governing body of the city on December 9, 2008, without determining whether**
34 **the change will have a significant effect on existing or planned transportation facilities.**

35 (3) **If the city adopts changes authorized by subsection (2) of this section:**

36 (a) **The city shall adopt a zoning designation or zoning overlay that restricts retail com-**
37 **mercial activities allowed on the site to activities that are necessary to support the planned**
38 **employment uses and:**

39 (A) **Are not large-scale retail commercial activities, as that term is used in the land use**
40 **regulations of the city; or**

41 (B) **Help contain overall trips within the site.**

42 (b) **The city shall adopt provisions to maintain in the site at least one lot or parcel, as**
43 **those terms are defined in ORS 92.010, of at least 50 acres and shall plan and zone the lot**
44 **or parcel for industrial or traded-sector employment use.**

45 (c) **Subject to subsection (4) of this section, the city shall address the transportation**

1 impacts for the Southeast Redmond Employment Site by entering into an agreement with
2 other providers of transportation facilities, including but not limited to the Department of
3 Transportation, to plan for transportation improvements appropriate to accommodate the
4 amount and types of traffic projected to be generated by development within the Southeast
5 Redmond Employment Site.

6 (d) Within four months after the city and the department have signed the agreement
7 required by this section, the department shall establish an alternative mobility target for the
8 state highways within the affected area that results from implementation of the agreement.
9 By establishing an alternative mobility target, the department does not preclude modifying
10 the target by agreement between the city and the department as a result of a future update
11 to the Transportation System Plan, a comprehensive corridor planning approach, including
12 the Trip 97 Study, or another system planning process. Other providers of transportation
13 facilities may be parties to the agreement.

14 (4)(a) The city and the department must negotiate and enter into the agreement required
15 by this section within six months after the city completes the planned update of the site
16 Transportation Impact Analysis and submits the results to the department.

17 (b) The agreement must:

18 (A) Identify and list planned transportation improvements and contain a description of
19 the anticipated timing and financial responsibility for funding the improvements; and

20 (B) Be adopted as part of the Transportation System Plan of the city.

21 (c) The transportation improvements in the agreement must be based on practical design
22 principles and may be funded with existing and planned transportation funding sources
23 available to the city within the planning horizon.

24 (d) In the agreement required by this section:

25 (A) The city must acknowledge that the full impacts of the proposed land use action to
26 the transportation system may not be fully accommodated by the transportation improve-
27 ments contained in the agreement required under this section and that the department may
28 not be responsible for funding additional transportation improvements to reduce motor ve-
29 hicle traffic congestion that may occur due to the development of the Southeast Redmond
30 Employment Site; and

31 (B) The department must acknowledge that the transportation improvements identified
32 in the agreement may not be sufficient to meet the Highway Mobility Targets of the de-
33 partment as described in the Oregon Highway Plan.

34 (e) If the city and the department cannot negotiate an agreement within six months, the
35 city shall construct mitigation described in the planned update to the Transportation Impact
36 Analysis of the city.

37 **SECTION 2.** Section 1 of this 2012 Act is repealed on January 2, 2015.

38 **SECTION 3.** Sections 5 and 6 of this 2012 Act and the amendments to section 20, chapter
39 624, Oregon Laws 2011, by section 4 of this 2012 Act shall be known and may be cited as the
40 Transportation and Economic Development Act of 2012.

41 **SECTION 4.** Section 20, chapter 624, Oregon Laws 2011, is amended to read:

42 **Sec. 20.** (1) For the biennium beginning July 1, 2011, at the request of the Oregon Department
43 of Administrative Services, in consultation with the Department of Transportation, the State Treas-
44 urer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not
45 to exceed net proceeds of [~~\$40~~] **\$50** million for the purpose described in subsection (2) of this section,

1 plus an additional amount, to be estimated by the State Treasurer, for payment of bond-related costs.

2 (2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the
3 Multimodal Transportation Fund established under ORS 367.080 sufficient to provide [40] **\$50**
4 million in net proceeds and interest earnings for the Department of Transportation to finance grants
5 and loans for transportation projects as provided in ORS 367.080 to 367.086.

6 (3) Bond-related costs for the lottery bonds authorized by this section must be paid from the
7 gross proceeds of the lottery bonds and from allocations for the purposes of ORS 286A.576 (1)(c).

8 (4) The Legislative Assembly finds that issuing lottery bonds to finance transportation projects
9 pursuant to this section is essential to promoting the state's economic development and the use of
10 lottery bond proceeds is authorized based on the following findings:

11 (a) There is an urgent need to improve and expand publicly owned and privately owned trans-
12 portation infrastructure to support economic development in this state.

13 (b) A safe, efficient and reliable transportation network supports the long-term economic devel-
14 opment and livability of this state.

15 (c) A multimodal network of air, rail, public transit, highway and marine transportation moves
16 people and goods efficiently.

17 (d) Local governments and private sector businesses often lack capital and the technical ca-
18 pacity to undertake multimodal transportation projects.

19 (e) Public financial assistance can stimulate industrial growth and commercial enterprise and
20 promote employment opportunities in this state.

21 (f) Public investment in transportation infrastructure will create jobs and further economic de-
22 velopment in this state.

23 (g) The use of lottery bond proceeds as provided in this section will create jobs, further eco-
24 nomic development, finance public education or protect parks, watersheds, fish or wildlife within
25 Oregon, and issuance of lottery bonds for the purpose described in this section is therefore an ap-
26 propriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS
27 461.510.

28 **(5)(a) Following the sale of bonds described in subsection (2) of this section, the Depart-**
29 **ment of Transportation shall collect information about transportation projects from Class I**
30 **railroads, as described in 49 C.F.R. 1201, that are recipients of funding under subsection (2)**
31 **of this section. The information collected must include, but is not limited to, the anticipated**
32 **economic benefits of the project, the anticipated number of jobs to be created or retained**
33 **as a result of the project and any other anticipated public benefits from the project. The**
34 **department shall report on the information collected under this paragraph to the Legislative**
35 **Assembly in the manner provided for in ORS 192.245.**

36 **(b) When a transportation project funded as provided in subsection (2) of this section is**
37 **substantially completed and the recipient of the funding is a Class I railroad, the department**
38 **shall collect information about the project that includes, but is not limited to, the economic**
39 **benefits of the project, the number of jobs created or retained as a result of the project and**
40 **any other public benefits resulting from the project. The department shall report on the in-**
41 **formation collected under this paragraph to the Legislative Assembly in the manner provided**
42 **for in ORS 192.245.**

43 **SECTION 5. (1) For the biennium beginning July 1, 2011, at the request of the Oregon**
44 **Department of Administrative Services, in consultation with the Oregon Business Develop-**
45 **ment Department, the State Treasurer is authorized to issue lottery bonds pursuant to ORS**

1 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$10 million for the purpose
2 described in subsection (2) of this section, plus an additional amount, to be estimated by the
3 State Treasurer, for payment of bond-related costs.

4 (2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the
5 Special Public Works Fund established under ORS 285B.455 sufficient to provide \$10 million
6 in net proceeds and interest earnings for the Oregon Business Development Department to
7 finance low-interest loans to municipalities, ports and other persons or entities for water and
8 sewer infrastructure projects.

9 (3) Bond-related costs for the lottery bonds authorized by this section must be paid from
10 the gross proceeds of the lottery bonds and from allocations for the purposes of ORS
11 286A.576 (1)(c).

12 (4) The Legislative Assembly finds that issuing lottery bonds to finance water and sewer
13 infrastructure projects pursuant to this section is essential to promoting the state's eco-
14 nomic development and the use of lottery bond proceeds is authorized based on the following
15 findings:

16 (a) Financial assistance to municipalities, ports and other persons and entities for
17 projects to improve water or sewer infrastructure is essential to the health of the people of
18 this state.

19 (b) Public investments in water or sewer infrastructure projects will create jobs and
20 further economic growth while ensuring the continued health of water and sewer systems.

21 **SECTION 6.** (1) For the biennium beginning July 1, 2011, at the request of the Oregon
22 Department of Administrative Services, in consultation with the Department of Community
23 Colleges and Workforce Development, the State Treasurer is authorized to issue lottery
24 bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed net proceeds of \$10
25 million for the purpose described in subsection (2) of this section, plus an additional amount,
26 to be estimated by the State Treasurer, for payment of bond-related costs.

27 (2) Net proceeds of lottery bonds issued pursuant to this section must be deposited in the
28 Community College Capital Construction Fund established under ORS 341.725 sufficient to
29 provide \$9,604,450 in net proceeds and interest earnings for the Department of Community
30 Colleges and Workforce Development to finance the following projects with a targeted
31 workforce preparation and development focus that have been prioritized by all 17 community
32 colleges in this state in the following amounts:

	Funding Amount Requested
(a) Blue Mountain Community College Veterinary Assistant Certificate Program.....	\$ 465,037
(b) Central Oregon Community College Math and Science Laboratories, Redmond Campus.....	\$ 500,000
(c) Chemeketa Community College CTE/STEM Facilities Improvement	

1	Project	\$1,000,000
2	(d) Clackamas Community College	
3	Industrial Technology and Science	
4	Workforce Advancement	\$ 800,000
5	(e) Clatsop Community College	
6	Welding and Fabrication	
7	Program	\$ 281,785
8	(f) Columbia Gorge Community College	
9	CGCC Rural Clinical Simulation	
10	Center Essential Capital	
11	Equipment Replacement	\$ 297,193
12	(g) Klamath Community College	
13	Culinary Arts, AAS; Foodservice	
14	Systems; Administration and	
15	Management.....	\$ 300,000
16	(h) Lane Community College	
17	Science, Technology, Engineering	
18	and Math Classrooms and Labs ...	\$1,000,000
19	(i) Linn-Benton Community College	
20	Advanced Transportation	
21	Technology Center	\$ 800,000
22	(j) Mt. Hood Community College	
23	Lab and Classroom Additions	
24	and Upgrades	\$ 800,000
25	(k) Oregon Coast Community College	
26	Renovations to Allied Health	
27	Training Center and Science	
28	Laboratory	\$ 273,235
29	(L) Portland Community College	
30	Trades Training Center.....	\$1,000,000
31	(m) Rogue Community College	
32	Manufacturing and	
33	Fabrication Flex Lab.....	\$ 500,000
34	(n) Southwestern Oregon Community College	
35	Renovate Labs and Classrooms	
36	for STEM and CTE Support.....	\$ 387,200
37	(o) Tillamook Bay Community College	
38	Ag and Natural Resources	
39	Learning Lab.....	\$ 300,000
40	(p) Treasure Valley Community College	
41	Science and Technology	
42	Classrooms and Labs and	
43	Agriculture Livestock Center	
44	Classroom and Lab	\$ 500,000
45	(q) Umpqua Community College	

Douglas County CTE/STEM

Centers..... \$ 400,000

(3) Bond-related costs for the lottery bonds authorized by this section must be paid from the gross proceeds of the lottery bonds and from allocations for the purposes of ORS 286A.576 (1)(c).

(4) The Legislative Assembly finds that issuing lottery bonds to finance community college capital construction projects pursuant to this section is essential to promoting the state’s economic development and the use of lottery bond proceeds is authorized based on the following findings:

(a) New buildings and facilities are needed for community colleges to have adequate facilities for teaching.

(b) Development of community college infrastructure with a focus on workforce preparation and development prioritized by all 17 community colleges in this state will serve to educate and develop a future workforce essential to Oregon’s economic growth.

(5) Following the sale of bonds for projects described in subsection (2) of this section, the Department of Community Colleges and Workforce Development shall submit a progress report to the Legislative Assembly. The progress report shall include all of the following information for each project described in subsection (2) of this section:

- (a) The planned start date of the project.**
- (b) The actual start date of the project.**
- (c) The current status of the project.**
- (d) The project completion date or scheduled completion date.**
- (e) Expenditures made for the project to date.**
- (f) The number of construction hours worked.**
- (g) The proportion of funds used for equipment purchase and new construction.**
- (h) The percentage of jobs performed or contracts fulfilled by Oregon residents.**
- (i) A description of increased program capacity resulting from the project.**
- (j) A description of the local workforce need addressed by the project.**

SECTION 7. This 2012 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect on its passage.
