

Co-Chairs Roblan and Holvey and Committee members,

Oregon's public ports are a driving force for economic development across Oregon. Port's are constantly looking for ways to support their local economies and create good paying jobs. However, the Coronavirus outbreak and the state's mandated business closures will put the financial health of many ports in jeopardy and severely impair their economic development work. I would like to highlight one way that the legislature could consider providing relief for ports and their clients in a special session.

Port's frequently utilize economic development loans through Business Oregon. These loans are typically used to invest in capital construction for plants and business facilities that then house port clients so that they can produce goods and services in demand by the Oregon economy. Business Oregon goes through a rigorous process to determine that the port's clients have business models that are sustainable and a good risk for the state before approving any loan. However, the approval processes do not anticipate a pandemic that virtually shuts down Oregon's economy.

As the Coronavirus Committee considers what action it can present to the full legislature to consider in order to help Oregon's struggling economy, the Port of Cascade Locks would like to suggest that Business Oregon be given the means to restructure economic development loans in its portfolio. If the Port's loans could be temporarily modified through payment furloughs, interest rate reduction or interest only payments, those savings could be passed on the Port's clients. These payment modifications may make the difference for our clients between remaining in business or shutting down completely, and will also significant lessen the financial strain on the Port district.

A case in point is pFriem Family Brewers. pFriem is one of Oregon's premier breweries and last year was chosen as the North American mid-sized brewery of the year. The Port of Cascade Locks secured a business development loan through Business Oregon to build a new production facility for pFriem in the Port's business park. This new building will allow pFriem to significantly expand its production and create more good jobs within the Gorge region. However, the recent statewide closure of pubs and restaurants in Oregon has completely crippled the craft brew industry in the state. Draft beer sales have effectively dropped to zero and cash flow for breweries has been eliminated. Even for a successful company like pFriem, making the payment on the loan for their new building will be impossible to do as long as our businesses are closed to do virus concerns. Giving Business Oregon what they need to extend a moratorium on loan payments would go a long way to helping this and other businesses survive this crisis and insure they can help lead the recovery when our economy can return to normal activity.

Committee members, thank you for your service as you engage in this very important work. The example I site is relevant to Cascade Locks, but I know that other ports and economic development agencies across the state would agree with our request.

Sincerely,

Mark Johnson
Government Affairs Director

Port of Cascade Locks

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