

**REVENUE: No revenue impact**

**FISCAL: Fiscal statement issued**

---

<b>Action:</b>	Do Pass as Amended, Be Printed Engrossed, and Rescind the Subsequent Referral to the Committee on Ways and Means
<b>Vote:</b>	10 - 0 - 0
<b>Yeas:</b>	Bentz, Cameron, Davis, Doherty, Gorsek, Lively, McKeown, Nathanson, Parrish, Read
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Patrick Brennan, Administrator
<b>Meeting Dates:</b>	2/5, 2/12

---

**WHAT THE MEASURE DOES:** Establishes the Public Infrastructure Commission to identify Oregon’s public infrastructure needs, review and examine tools available to provide funding for public infrastructure projects, research innovative financing tools, determine legal impediments, and receive determinations from the State Treasurer. Requires government entities preparing infrastructure projects with total capital expenditure exceeding \$50 million, of which at least \$20 million is awarded by the Legislative Assembly or a state agency, to submit a description of the proposed project to the State Treasurer in early stage of project planning. Specifies that the State Treasurer or a designee will screen the project to determine whether it would benefit from private capital and innovative procurement methods. Provides exceptions. Sunsets provisions on January 2, 2016. Directs the Governor and State Treasurer to appoint representatives to the West Coast Infrastructure Exchange. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Potential benefit of utilizing alternative financing methods for infrastructure projects
- Activities of the Innovation in Infrastructure Task Force (House Bill 2345, 2013)
- Need for options in infrastructure development
- Comparison to construction manager/general contractor (CM/GC) contracting method
- Potential sources of private investment
- Background on West Coast Infrastructure Exchange

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the original measure.

**BACKGROUND:** The American Society of Civil Engineers’ Oregon Infrastructure Report Card gives Oregon a “C-minus,” citing 135 high-hazard dams, 433 structurally deficient bridges, and 65 percent of roads at poor or mediocre quality, the latter costing the average motorist \$173 per year. The report card also indicates an estimated \$2.8 billion in anticipated need over the next 20 years to address drinking water infrastructure and \$3.8 billion during the same period needed to address waste water infrastructure. The executive branches of Oregon, California, Washington and British Columbia formed the West Coast Infrastructure Exchange (WCX) to identify new methods for financing and facilitating infrastructure development to address these needs. In 2013, the Legislative Assembly enacted House Bill 2345, creating the Oregon Innovation in Infrastructure Task Force to make recommendations regarding innovative practices related to public infrastructure, as well as a recommendation regarding Oregon’s participation in the WCX. House Bill 4111-A is the final product of the Task Force.

The Task Force reviewed various methods available to encourage and utilize private financing for the construction of public infrastructure projects. Unlike privatization, which involves a private business entity building and operating a facility and setting fees for the use of the facility, private financing maintains public ownership of the facility, though it can allow for a contract with a private entity for operations and maintenance. The Task Force received information from entities such as Partnerships B.C., which utilize private financing tools for infrastructure development, in preparing its recommendations.

2/14/2014 8:51:00 AM

***This summary has not been adopted or officially endorsed by action of the committee.***