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March 19, 2015

To: Senator Betsy Johnson, Co-Chair

Representative David Gomberg, Co-Chair

Members of the Joint Ways and Means Subcommittee on Transportation and Economic Development

Re: Support for Business Oregon Budget, SB 5525

From: Wendy Johnson, League of Oregon Cities

The League of Oregon Cities supports an increase in the overall Business Oregon budget—and specifically applauds several proposals within the agency budget. Cities are the economic engines of the state, and the agency budget recognizes the importance of intergovernmental cooperation between the state and cities in economic development efforts. Importantly, the biennial budget recognizes the differing needs of rural and urban Oregon. This biennium's proposed budget has a particular emphasis in investing in infrastructure that supports immediate rural job growth and economic development. This budget brings real lifelines to struggling cities and communities to assist their growth and the League supports this focus. In addition, the agency's budget priorities of retaining and expanding existing businesses, recruiting new businesses, and providing grants and loans incentives for infrastructure should translate to significant returns on investment in both our large cities and small cities, moving the whole state forward.

Specifically, the League supports the following Business Oregon proposals, which are very important for the state as a whole and cities in particular:

Infrastructure Finance Authority (IFA)

The IFA's grants, loans and technical assistance programs translate to real infrastructure needs and improvements being met, including water, wastewater, utility and transportation assistance and financing statewide.

- Oregon Infrastructure Opportunity Program (HB 2435 and Policy Option Package 118)
 - \$10 million to invest in last-mile infrastructure to create immediate job growth in rural communities.

- Special Public Works Funds (Policy Option Package 106)
SPWF funds provide grants and loans for infrastructure projects (e.g. water, wastewater, port, roads, rail, emergency services, airports) that support economic and community development. Disadvantaged communities may borrow at below-market rates through this fund.
 - Special Works Recapitalization, \$14 million
 - Levee Funding, \$7 million

- Brownfields Redevelopment Fund (Policy Option Package 107)
 - \$7 million
Cleaning up brownfields puts property back into use for business and economic development and also puts the land back onto the property tax rolls for schools, cities, and counties.

- Regional Solutions Program
 - \$21 million
Continued investments in this Program ensure regional infrastructure assistance throughout the state and ensures that projects are finished quickly and cost-effectively.

Business Innovation and Trade Division (BITD)

- Natural Resource Transformative Technology Grant Program (HB 2434 and Policy Option Package 114)
 - \$5 million
This Program provides grants to businesses, nonprofits, foundations or higher education centers to support the commercialization of new products and services, focused on food and wood products.

- 3 Community Development Planners
These new planner employees would go out into the communities to help with economic development planning and coordinate with the Regional Solutions Program. These positions would bring the expertise that our cities need.

While funding for infrastructure and economic development needs of Oregon cities far exceed the funding levels requested, we believe the programs and investments highlighted above as well as others in the agency budget represent programs that will indeed provide a significant return on investment and reflect the desired state commitment to core economic development and infrastructure. The League of Oregon Cities urges your support for the Governor's recommended budget for Business Oregon (OBDD).

The League of Oregon Cities is an association of all 242 cities in Oregon. Oregon's cities are home to 70% of all Oregonians and 80% of the state's jobs and income tax collections.