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**TO:** Joint Committee on Ways and Means Subcommittee on Capital Construction

**FR:** Craig Honeyman, Legislative Director – League of Oregon Cities

**RE:** HB 5030 – Lottery Bonds

Good afternoon. Co-chairs Girod and Read, my name is Craig Honeyman, Legislative Director of the League of Oregon Cities. The League represents all 242 cities in the state of Oregon. My purpose today is to provide the subcommittee, in consolidated testimony, the League's recommendations as to how to allocate lottery dollars in bonding a variety of programs important to the state's infrastructure and economic development.

At the outset let me acknowledge that the number and cost of the very worthy expenditure priorities that you are hearing about today will far outstrip the lottery's capacity to support. These limitations will force this committee and the Legislature as a whole to make choices. I am here to provide a prospective on the highest priorities facing local governments, principally in the areas of regional solutions, transportation, water and other infrastructure programs.

I will provide you with our priority list, including some brief background on each item's importance to cities, and leave it to others in the room to provide you with more detailed explanations as necessary.

#### Regional Solutions

- \$14 million for continued investment to ensure regional infrastructure assistance throughout Oregon, jointly administered by Regional Solutions and Business Oregon.
- \$10 million for the Oregon Infrastructure Opportunity Program, funding last-mile infrastructure development for job growth in rural communities.

#### Connect Oregon

- \$50 million in support of Connect Oregon VI, the state's multi-modal (non-highway) transportation fund, including allocation of 10 percent of lottery bond proceeds to five ODOT regions throughout the state.

### Special Public Works

- \$28 million total for grants and loans for infrastructure projects that support economic and community development (water, wastewater, port, roads, rail emergency services and airports).
  - + \$14 million – Special Public Works Recapitalization
  - + \$7 million – levee funding
  - + \$7 million – Patient Capital funding for industrial site readiness

### Brownfields Redevelopment Fund

- \$7 million to put industrial property back into use for business and economic development, while also putting land back on the property tax rolls for cities, counties and schools.

### Business Innovation and Trade Division (BITD)

- \$600,000 to fund three community development planners assisting communities and the Regional Solutions Program with economic development planning.
- \$5 million to fund the Natural Resource Transformative Technology Grant Program (HB 2434, pending in the Joint Ways and Means Committee) in support of the commercialization of new products and services focused in the food and wood products industries.

### Oregon Water Resources Department

- \$20 million to fund water supply projects such as the Umatilla Basin, the Water Supply Development Account (contributing to various storage, conservation, reuse and stream restoration projects).
- Of that \$20 million, cities specifically want to emphasize the importance of:
  - + \$2 million for water reuse, conservation and storage feasibility studies, and
  - + \$750,000 for a place-based water resource planning pilot program.

### Oregon Parks and Recreation

- \$5 million (not currently included in HB 5030) to fund the Oregon Main Street Revitalization Program providing cities with resources to upgrade their core areas, often leveraging additional federal and private investment (HB 3526, pending before the Joint Ways and Means Committee).

In closing I believe these requests, in the aggregate, will fall well within the lottery fund's bonding capacity for the upcoming biennium, address critical infrastructure challenges and represent solid investments in the future of the entire state of Oregon.

Thank you for the opportunity to testify.