



TO: The Honorable Representative Tobias Read, Co-Chair
The Honorable Senator Fred Girod, Co-Chair
Joint Committee on Ways and Means Subcommittee On Capital Construction

FROM: Sean Robbins, Director
Business Oregon

DATE: Friday, May 29, 2015

REGARDING: HB 5030 Lottery Bond Authorization

Business Oregon invests Oregon's Lottery bond proceeds into economic and community development projects to grow jobs, companies and communities. We have a special focus on rural Oregon where communities lack local capacity for large infrastructure projects. In the Governor's 2015-17 budget, our Lottery bond requests come from four program areas.

The **Oregon Infrastructure Opportunity Program** is requesting \$10 million in Lottery bonds to help rural Oregon communities recruit and retain companies. It funds infrastructure that leads to immediate jobs in rural Oregon. This is a new program that would allow us to fund requests up to \$2.5 million. The Special Public Works Fund, which we use for such projects today, has a \$1 million cap on grants. The program would include a half-time loan specialist. When we consider the program's potential return on investment, it's important to consider the current pipeline of projects that could qualify for funding. Our recruitment team, for example, is working with several companies with infrastructure needs. Combined, the projects could produce hundreds of jobs and millions in new investments.

The **Brownfields** program is requesting \$7 million in Lottery bonds to provide loans and grants to help landowners clean up contaminated properties. It helps return land to local tax rolls and increases the supply of industrial lands available for commercial development. The state program was last recapitalized 10 years ago in 2005-07 and is now out of money. Every \$1 we invest in brownfields attracts \$116 in investments from other sources.

The **Regional & Local Infrastructure Development**, best known as the Special Public Works Fund, is requesting \$28 million to provide grants and loans for infrastructure projects for economic or community development. This program allows us to respond to essential regional infrastructure needs, such as safe drinking water and industrial land development, primarily in rural communities. This request includes \$14 million for a predictable funding source for rural infrastructure needs; \$7 million in patient capital to develop industrial lands; and \$7 million for levee inspection, repair, and certification.

Business Oregon's budget request also includes two **Governor's office** priorities. We have a \$14 million request for Regional Solutions and a \$1.5 million request for the Advanced Transportation Technology Center.