



May 8, 2015

Co-Chairs Devlin and Buckley:

We write to urge your support of HB 3526, the Oregon Main Street Revitalization Grant Program. HB 3526 will help communities across Oregon, especially in rural and distressed areas, to access the capital needed to revitalize and develop their main streets into vibrant communities.

We know that communities throughout the state, especially in rural towns and historically underserved communities, are struggling to secure gap financing for development and redevelopment projects. Currently main streets and downtowns in Oregon lack state-supported funding mechanisms to advance important redevelopment, adaptive re-use, and small business relocation and expansion initiatives. The Oregon Main Street Revitalization Grant will help the 90 plus local communities participating in the Oregon Main Street Network to catalyze investment from the private sector and transform their downtowns into vibrant, economically viable communities.

HB 3526 authorizes the issue of lottery bonds in an amount that produces \$5 million in net proceeds and interest earnings, plus an additional amount necessary to pay bond-related costs. This investment in main streets across the state will not only help build communities, but it will bring a return on investment to the state by creating a stronger tax base. We urge your support of HB 3526 to help catalyze investment in the main streets across the state.

Sincerely,

(Shields)

(Kruse)

(Boquist)

(Ferrioli)

(Olsen)

(Whitsett)

(Thatcher)

(Hass)

A-Engrossed
House Bill 3526

Ordered by the House May 11
Including House Amendments dated May 11

Sponsored by Representatives KOTEK, HUFFMAN, MCKEOWN; Representatives KENNEMER, READ, WITT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes Oregon Main Street Revitalization Grant Program within [Oregon Business Development] State Parks and Recreation Department for purpose of awarding grants [to participants in Oregon Main Street Network and members of National Main Street Center for purposes of preservation-based community revitalization and economic development] to acquire, rehabilitate and construct buildings in designated downtown areas statewide and to facilitate community revitalization.

Establishes Oregon Main Street Revitalization Grant Program Fund. Continuously appropriates moneys in fund to department for purposes of program.

Authorizes issuance of lottery bonds for biennium beginning July 1, 2015, sufficient to produce \$5 million in net proceeds and interest earnings to be deposited in fund.

Declares emergency, effective July 1, 2015.

A BILL FOR AN ACT

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Relating to Oregon Main Street Revitalization Grant Program; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) As used in this section and sections 2 and 3 of this 2015 Act:

(a) **Area median income** means the median income for the metropolitan statistical area in which the proposed grant project is located, as determined by the Housing and Community Services Department, adjusted for household size.

(b) **Oregon Main Street Network** means the entity administered by the State Historic Preservation Officer designated under ORS 358.565 to provide assistance, training and technical services to communities in Oregon desiring to strengthen, preserve and revitalize their historic downtown commercial districts.

(c) **Rural area** means an area located entirely outside the acknowledged Portland Metropolitan Area Regional Urban Growth Boundary and the acknowledged urban growth boundaries of cities with populations of 30,000 or more.

(2) There is established in the State Parks and Recreation Department the Oregon Main Street Revitalization Grant Program for the purpose of providing grants on an annual, competitive basis from the Oregon Main Street Revitalization Grant Program Fund established under section 2 of this 2015 Act to be used for the following purposes:

(a) To acquire, rehabilitate and construct buildings on properties in designated downtown areas statewide; and

(b) To facilitate community revitalization that will lead to private investment, job creation or retention, establishing or expanding viable businesses or creating a stronger tax base.

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

1 (3)(a) For the purpose of making grants under the program, the department shall adopt
2 a formula that:

3 (A) Provides for grant funds to be made available statewide while concentrating funds
4 and resources in those areas of the state with the greatest need for main street
5 revitalization and economic development; and

6 (B) Provides that a minimum of 50 percent of available grant funds will be reserved for
7 projects in rural areas.

8 (b) In awarding grants under the program, the department shall give priority to grant
9 proposals for projects that are located in traditionally underserved communities, including
10 rural areas and communities that demonstrate significant financial barriers to efforts to
11 redevelop or rehabilitate downtown areas.

12 (4) The department shall develop criteria to determine the eligibility of grant applicants
13 and proposed projects. The criteria must require that applicants be organizations that par-
14 ticipate in the Oregon Main Street Network and demonstrate the past or prospective capac-
15 ity to work with project leaders in designated local communities or downtown areas.

16 (5) Project proposals submitted by grant applicants may include evidence of demonstrated
17 need for main street revitalization and economic development by providing information about
18 the economic character of the project, including but not limited to:

19 (a) The proportion of households at or below the federal poverty rate in the targeted
20 project location and the surrounding community;

21 (b) The area median income in the proposed project location and surrounding community;

22 (c) The percentage of renters in the proposed project location and surrounding commu-
23 nity; and

24 (d) The percentage of persons in the proposed project location and surrounding commu-
25 nity with weekly wages that are less than or equal to the most recent federal poverty
26 guidelines for a family of three that are applicable to Oregon residents and that are published
27 annually in the Federal Register by the United States Department of Health and Human
28 Services.

29 (6) The State Parks and Recreation Department shall:

30 (a) Provide technical assistance and project overview and monitoring for successful grant
31 recipients; and

32 (b) Provide regular updates to other state agencies, including but not limited to the
33 Oregon Business Development Department and the Department of Transportation, that have
34 an interest in the implementation and administration of the program.

35 (7) Each grant awarded under this section shall require, as a condition of receiving
36 funding, matching funds in an amount to be determined by the State Parks and Recreation
37 Department.

38 (8) All amounts awarded as grants must be used by recipients, for the approved purposes
39 set forth in successful grant applications, within three years of receipt of the funds. Any
40 funds not expended within that time period must be returned to the department for deposit
41 in the Oregon Main Street Revitalization Grant Program Fund.

42 (9) The department shall adopt rules to implement the program and the provisions of this
43 section. The department may consult with the Oregon Business Development Department
44 and the Department of Transportation in adopting the rules.

45 SECTION 2. (1) The Oregon Main Street Revitalization Grant Program Fund is estab-

1 lished in the State Treasury, separate and distinct from the General Fund. Interest earned
2 by the Oregon Main Street Revitalization Grant Program Fund shall be credited to the fund.

3 (2) Moneys in the fund consist of:

4 (a) Amounts donated to the fund;

5 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
6 sembly;

7 (c) Amounts deposited in the fund under section 3 of this 2015 Act;

8 (d) Investment earnings received on moneys in the fund;

9 (e) Unused grant moneys returned pursuant to section 1 (8) of this 2015 Act; and

10 (f) Other amounts deposited in the fund from any source.

11 (3) Moneys in the fund are continuously appropriated to the State Parks and Recreation
12 Department for purposes of section 1 of this 2015 Act and to pay the administrative costs
13 associated with the fund.

14 SECTION 3. (1) For the biennium beginning July 1, 2015, at the request of the State Parks
15 and Recreation Department, the State Treasurer may issue lottery bonds pursuant to ORS
16 286A.560 to 286A.585 in an amount that does not exceed \$5 million in net proceeds for the
17 purposes described in subsection (2) of this section, plus an additional amount estimated by
18 the State Treasurer to be necessary to pay bond-related costs.

19 (2) Net proceeds of lottery bonds issued under this section in an amount sufficient to
20 provide \$5 million in net proceeds and interest earnings must be transferred to the depart-
21 ment for deposit into the Oregon Main Street Revitalization Grant Program Fund to provide
22 grants pursuant to section 1 of this 2015 Act.

23 (3) The Legislative Assembly finds that the use of proceeds of lottery bonds issued pur-
24 suant to this section will create jobs, further economic development and enhance the eco-
25 nomic vitality of Oregon downtowns and local communities by supporting projects that
26 revitalize historic downtown commercial districts, redevelop and reuse existing buildings,
27 facilitate small business relocation and expansion initiatives and provide assistance, training
28 and technical services.

29 SECTION 4. This 2015 Act being necessary for the immediate preservation of the public
30 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
31 on July 1, 2015.

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