

Support Special Public Works Fund (SPWF)

HB 5025, POP #103 (budget bill) and SB 5530 (lottery bond bill)

The undersigned organizations urge continued investment in **Oregon's infrastructure** to keep Oregon's economy growing. **We support Policy Option Package #103 to HB 5025 – recapitalization of the Special Public Works Fund (SPWF).**

SPWF provides grants and loans for infrastructure projects (e.g. water, wastewater, ports, roads, rail, emergency services, airports) which support economic and community development through grants and below-market-rate or forgivable loans.

"The City of Salem has utilized and benefited from the Special Public Works Fund, administered by Business Oregon. The City has utilized both direct loans and a forgivable loan all for the purposes of economic development. Funding has been directed towards pre-development infrastructure projects including; wetland mitigation, storm water drainage system improvements, wastewater collection system improvements, and transportation system improvements." - City of Salem

Much of Oregon's infrastructure is over 70 years old and is failing-- upgrades are greatly needed. **We cannot afford to get further behind on infrastructure upgrades and replacements – without them businesses and communities cannot grow.** The infrastructure need is well over \$7 billion.

"The Special Public Works Fund has directly contributed to the creation and retention of more than 250 jobs in Redmond. We are extremely strategic about the use of these funds, using them only where they can create the most valuable and equitable local and statewide outcomes." - Redmond Economic Development, Inc. (REDI)

We strongly support fully funding this package at the Governor's recommended \$50 million package level which would provide as follows:

- Special Works Recapitalization (undesignated), \$40 million
- Levee Funding (designated), \$10 million

In FY 2016, \$46.3 million in SPWF funding was committed for 52 projects:

- \$34.2 million funded 26 general SPWF projects
- \$12.1 million supported 26 Water/Waste Water Fund projects.

The Water/Waste Water Fund money is crucial to provide safe drinking water, address failing systems and fund treatment plants and water storage projects to communities that could not otherwise finance such projects. **Last biennium only \$18 million was provided to recapitalize the fund, so today few dollars remain unallocated.** But, the need is still great and we anticipate similar funding demands in the coming biennium. Recapitalization is vital.

"Business Oregon's infrastructure finance programs have been and remain a critical tool for EDCO's ability to attract new, well-paying jobs and private capital investment. Without adequate funding in SPWF and Water/Wastewater, our business development efforts that require new public facilities could be hamstrung." -Economic Development for Central Oregon (EDCO)

In addition, SPWF program money leverages federal matching program funds: **Community Development Block Grants (CDBG), FEMA grants and Safe Drinking Water Fund grants.** CDBG awards need a two percent match for state administration of the federal program. Similarly, SPWF provides the necessary 20% state match for Safe Drinking Water Fund projects and needed match for FEMA emergency projects. **We can't afford to leave federal money on the table.**

In short, we recognize that lottery bond revenues (lottery bond bill is SB 5530) are in great demand this biennium, but we urge recapitalization of the Special Public Works Fund and your support of Policy Option Package #103 in HB 5025.

