

SB 5530 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Amanda Beitel, Budget Analyst

Meeting Dates: 5/19, 7/3, 7/3

WHAT THE MEASURE DOES:

SB 5530 authorizes the issuance of lottery revenue bonds for specified projects. All lottery revenue bonds authorized for the 2017-19 biennium are included in SB 5530, with the exception of one project authorized in House Bill 2278 (2015).

A total of \$165,110,000 of lottery bond proceeds are authorized to be spent on thirty-one projects included in SB 5530. In addition, \$15,000,000 of lottery bond proceeds were authorized to be spent on one project during the 2017-19 biennium in HB 2278 (2015). Total costs of issuance are estimated to be \$3,217,347 for the projects authorized in SB 5530 and \$259,002 for the project authorized in HB 2278 (2015). Total amounts deposited in debt service reserve accounts for the projects included in SB 5530 and HB 2278 (2015) are estimated to be \$14,997,653 and \$1,275,998, respectively. SB 5505 includes \$199,860,000 of lottery revenue bond authority for the 2017-19 biennium to generate proceeds for project costs, costs of issuance, and debt service reserves.

Authority to spend bond proceeds for project costs and pay for the cost of issuing bonds is included in the budget reconciliation bill (HB 5006). Lottery revenue bonds will be issued in the spring of 2019 and debt service payments will begin in the 2019-21 biennium.

The bill includes an amendment to Section 18, chapter 786, Oregon Laws 2013 to revise the length of a road being constructed by the Confederated Tribes of the Umatilla Indian Reservation from 1.5 miles to 1 mile, which will connect the Port of Umatilla to certain industrial lands of the Confederated Tribes. The road extension is being funded by proceeds of Lottery Revenue Bonds that were issued in January 2015. The bill also includes an amendment to Section 23, chapter 812, Oregon Laws 2015 to modify the description of a project approved for Wheeler County to construct and underground fiber optic telecommunication line to a high-speed telecommunication system. The county has determined the underground line is not cost effective and is planning to construct a microwave telecommunication system that will allow them to add more cities to the system for the same cost. The telecommunication system is being funded by proceeds of Lottery Revenue Bonds that were issued in April 2017.

Lottery revenue bonds are authorized for the projects listed on the following page.

ISSUES DISCUSSED:

Funding for smaller projects that were requested as lottery revenue bonds may have been provided through direct General Fund appropriations in HB 5006.

EFFECT OF AMENDMENT:

Replaces the bill with the lottery revenue bonds authorized in the 2017-19 legislatively adopted budget.

BACKGROUND:

**Lottery Bond Projects
2017-19 Legislatively Adopted Budget**

| SB 5530 Section | Project | Project Funding | 2017-19 Debt Service | 2019-21 Debt Service |
|---|---|--------------------|----------------------------|----------------------------|
| <i>Department of Administrative Services</i> | | | | |
| 12 | Cascade AIDS Project - Prism Health | 1,000,000 | - | 198,484 |
| 13 | City of Spray - Public Safety/Emergency Services Center | 725,000 | - | 129,037 |
| 14 | Eugene Civic Alliance - Sports & Recreation Complex | 6,000,000 | - | 1,027,305 |
| 15 | Family Nurturing Center | 2,000,000 | - | 343,443 |
| 16 | Gresham Rockwood Innovation & Workforce Training Center | 2,000,000 | - | 343,443 |
| 17 | City of Independence - Independence Landing | 1,000,000 | - | 175,792 |
| 18 | Klamath County - Klamath Youth Inspiration Program | 1,000,000 | - | 175,792 |
| 19 | The Dalles Civic Auditorium | 745,000 | - | 136,066 |
| 20 | City of Woodburn - Woodburn Community Center | 1,000,000 | - | 175,792 |
| 21 | YMCA of Marion and Polk Counties - YMCA Facility | 12,000,000 | - | 2,038,445 |
| | | 27,470,000 | - | 4,743,599 |
| <i>Department of State Lands</i> | | | | |
| 10 | Portland Harbor Cleanup | 3,000,000 | - | 589,914 |
| <i>Department of Transportation</i> | | | | |
| 8 | Connect Oregon VII | 30,000,000 | - | 5,062,897 |
| 30 | City of Portland - SW Capitol Highway Improvements | 2,000,000 | - | 343,443 |
| 31 | Lane Transit District | 5,000,000 | - | 855,170 |
| | | 37,000,000 | - | 6,261,510 |
| <i>Oregon Business Development Department</i> | | | | |
| 1 | Special Public Works Fund - Recapitalization | 20,000,000 | - | 3,886,871 |
| 1 & 2 | Special Public Works Fund - Levee Projects | 10,000,000 | - | 1,953,164 |
| 3 | Regional Solutions Projects | 4,000,000 | - | 783,467 |
| 22(2)(a) | Portland Art Museum - Connection Campaign | 1,000,000 | - | 175,792 |
| 22(2)(b) | Friends of the Oregon Caves and Chateau - Balcony Restoration | 750,000 | - | 136,535 |
| 22(2)(c) | Eugene Ballet Company - Midtown Arts Center | 700,000 | - | 126,753 |
| 24 | Port of Brookings Harbor - Dock Repair | 600,000 | - | 112,249 |
| 26 | City of Sweet Home - Wastewater Treatment Plant | 2,000,000 | - | 343,443 |
| 27 | Crescent Sanitary District - Wastewater Treatment Facility | 3,000,000 | - | 510,769 |

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|-------------------|--|--------------------|----------|-------------------|
| 29 | Oregon Manufacturing Innovation Center Access Roads | 3,390,000 | - | 573,852 |
| | | 45,440,000 | - | 8,602,895 |
| | <i>Housing and Community Services Department</i> | | | |
| 7 | Affordable Housing Preservation | 25,000,000 | - | 4,856,853 |
| | <i>Parks and Recreation Department</i> | | | |
| 32 | Oregon Main Street Revitalization Grant Program | 5,000,000 | - | 977,030 |
| | <i>Water Resources Department</i> | | | |
| 5(2)(a) | Water Supply Development Account | 15,000,000 | - | 2,540,836 |
| 5(2)(b) | City of Carlton - Panther Creek Reservoir | 2,500,000 | - | 418,755 |
| 5(2)(c) | City of Carlton - Water Supply Line | 2,000,000 | - | 343,443 |
| 5(2)(d) | Santiam Water Control District - Mill Creek Corporate Center | 1,200,000 | - | 205,534 |
| 6 | Water Conservation, Reuse and Storage Investment Fund | 1,500,000 | - | 300,054 |
| | | 22,200,000 | - | 3,808,622 |
| | Total Lottery Bond projects authorized in SB 5530 | 165,110,000 | - | 29,840,423 |
| HB 2278 (2015) | | | | |
| | Oregon Business Development Department | | | |
| 3 | Oregon International Port of Coos Bay - Channel Project | 15,000,000 | - | 2,540,836 |
| | Total Lottery Bond projects authorized in 2017-19 | 180,110,000 | - | 32,381,259 |