

July 23, 2020

Joint Interim Committee on Ways and Means
Subcommittee on Transportation and Economic Development
Senator Arnie Roblan, Co-Chair
Representative Mark Meek, Co-Chair
Members of the Subcommittee

Co-Chair Roblan, Co-Chair Meek and Members of the Committee:

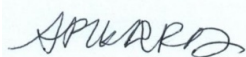
Oregon Economic Development Association (OEDA) has reviewed the proposed 2020 Budget Rebalance Plan and Agency Reduction Detail for Oregon Business Development Department (OBDD) known as Business Oregon. As the state's economic development agency, Business Oregon administers critical programs that help communities across the state to grow businesses and jobs. The statewide economic development community that OEDA represents relies on these programs in their work to create economic opportunity on the ground.

We know that the significant loss in revenue from lottery receipts will impact economic development efforts. Unfortunately, this scenario threatens to make economic recovery more difficult in 2021 and beyond. We acknowledge the revenue challenges the State and this committee are dealing with. At the same time, we hope this committee will recognize the need to invest any federal money directly into economic development programs. Economic development will lead Oregon's economic recovery, and we must invest in recovery work with urgency.

OEDA is Oregon's statewide organization exclusively focused on economic development. Our network comprises economic development professionals from over 150 Oregon cities, counties, ports, utilities, tribes, regional EDOs as well as partners in business assistance, entrepreneurship, and workforce development. This professional community offers unparalleled expertise and knowledge of the tools, resources and conditions required to deliver inclusive economic opportunity for Oregonians. We are committed to being a consultative resource on economic development and to bringing our knowledge in this area to bear in conversations about economic recovery in Oregon.

Thank you for the opportunity to urge continued investment in Business Oregon and in Oregon's recovery.

Sincerely,



Avery Pickard, Executive Director
Oregon Economic Development Association

July 24, 2020

Senator Betsy Johnson
Oregon State Senate
900 Court Street NE #S-200
Salem, OR 97301

Senator Elizabeth Steiner Hayward
Oregon State Senate
900 Court Street NE #S-213
Salem, OR 97301

Rep Dan Rayfield
Oregon House of Representatives
900 Court Street NE, #H-275
Salem, OR 97301

Senator Johnson, Senator Steiner Hayward, and Representative Rayfield,

The Pendleton levee breach and subsequent flooding in February of this year highlighted the importance of flood safety infrastructure in our state. It is a matter of life and death. Because of the flooding in Umatilla County, a 62-year woman died after being swept away by the rushing water. Over 10-miles of Interstate 84 were closed and nearly 400 buildings were damaged. Governor Brown declared a state of emergency and the Red Cross and other organizations mobilized to assist homeowners that had to be evacuated.

The truth is, it could have been worse. In cities like Warrenton, where 80 % of the city is below high water, a levee breach like what occurred in Pendleton could flood as many as 4000 acres. In Warrenton's case, floodwaters could damage a regional airport, a coast guard base, city departments and essential services (police, fire, public works, wastewater treatment), and impact a grade and high school. This doesn't consider the hundreds of homes and businesses that would be affected.

Clatsop County is home to 53 separate levee systems that total over 75 miles in length. We all know that this is aging infrastructure, much of it between 80 and 90-years-old. Like other levee systems around the State of Oregon they are managed by dike districts equipped with few of the resources that are needed to maintain and make improvements.

In April 2019, the Clatsop County Commission publicly endorsed both Senate Bill 254 and SB 432 and sent a letter of support to the Joint Committee on Ways and Means. We were elated when the legislature established a grant fund to support flood safety infrastructure projects by designating \$15 million in lottery bonds for the fund.

COVID-19 changed everything. I know that as leaders you have difficult budget decisions to make. But I would ask you to find a way to restore this much needed funding so that communities along the Columbia River and other tributaries can make much-needed improvements to this critical infrastructure.

Please restore the \$15 million grant program for flood safety for Oregonians.

Thank you,

Mark Kujala
Clatsop County Commissioner
District 1

July 24, 2020

Senator Betsy Johnson
Oregon State Senate
900 Court Street NE #S-200
Salem, OR 97301

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Senator Johnson, Senator Steiner Hayward, and Representative Rayfield,

Since 2015, the State Legislature has prioritized the tremendous flood safety issues facing our state by creating and funding a levee-related loan fund under the Special Public Works Fund (SPWF) of Business Oregon's Infrastructure Finance Authority (IFA). In 2019, the Legislature went a step further to provide financial support for local jurisdictions to address the critical flood safety issues by establishing a grant fund to support flood safety infrastructure projects by designating \$15 million in lottery bonds to populate the fund.

We appreciate the state budget challenges resulting from COVID-19 and the difficult position of deciding what does and does not get funded this year and beyond. We also understand the State is not able to make any bond sales at this time. Despite this, we must ask you for help as our communities are still left with aging flood safety infrastructure and huge risk looming over us. Not only are we dealing with aging infrastructure with limited means to make the upgrades that are needed to improve it, many of our communities also face the potential loss or inability to secure accreditation through the Federal Emergency Management Agency (FEMA). As long as our levees remain accredited, FEMA will not classify the area behind them as a 100-year floodplain, or Special Flood Hazard Area, which means that existing and new development will not be required to build to floodplain standards. Additionally, levee accreditation also provides residents and businesses behind the levees with access to lower-cost flood insurance through the National Flood Insurance Program (NFIP).

Over the last 15 years, new FEMA and US Army Corps of Engineers standards have made it far more expensive and time-intensive to achieve and maintain accreditation and local access to the NFIP. In Portland, we anticipate it could take at least \$20 million to recertify the 27-mile levee system along the Columbia River that protects critical public assets like the Portland International Airport major economic drivers for the region, and residents. The City of Warrenton estimates it will cost over \$4 million to identify the work that needs to be done to meet FEMA's standards and at least \$16 million to fully achieve accreditation.

These stories – and price tags – exist throughout the state. One of the scariest possible outcomes happened to one of our communities this year. In February, floodwaters washed through homes and businesses, and closed Interstate-84 as the Umatilla River rose and ultimately broke through a portion of Pendleton's levee system. Pendleton is still recovering from this nightmare as the other of us brace for what could happen in our communities if we are not able to make the critical repairs and upgrades to our flood safety infrastructure in advance of future high-water events

We understand that the state is not in the position to sell lottery bonds at this moment, but we ask you to consider replacing the \$15 million that the state legislature allocated for flood safety projects in other ways. At minimum, please find a way to fund this account in the next biennium. Flooding will only exacerbate an already extremely challenging moment for our state and country. We cannot afford to let this infrastructure languish, but without your help, we also cannot afford to fix it.

Sincerely,



Henry Balensifer III
Mayor
City of Warrenton



Mark Kujala (Jul 24, 2020 08:04 PDT)

Mark Kujala
Commissioner
Clatsop County



David sawyer (Jul 23, 2020 15:01 PDT)

David Sawyer
City Administrator
City of Turner



Deanna Schafer (Jul 23, 2020 16:30 PDT)

Deanna Schafer
Interim City Manager
City of Reedsport



Peggidy Coffman Yates (Jul 23, 2020 15:09 PDT)

Peggidy Yates
Executive Director
Columbia Corridor Drainage
Districts



Nolan Young
Chair
Levee Ready Columbia

Attachments:

- 1) **City of Pendleton Letter**, Bob Patterson, PE, Public Works Director and Levee Owner Representative
- 2) **City of Reedsport Letter**, Mayor Linda McCollum



CITY OF PENDLETON

Public Works Department
500 S.W. Dorion Avenue
Pendleton, Oregon 97801-2090
Telephone (541) 966-0202
FAX (541) 966-0251
TDD Phone (541) 966-0230
Website: www.pendleton.or.us

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Oregon State Senate
900 Court Street NE #S-200
Salem, OR 97301

Senator Elizabeth Steiner Hayward
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Rep. Dan Rayfield
Oregon House of Representatives
900 Court Street NE, #H-275
Salem, OR 97301

RE: Flood Safety Funding

Senator Johnson, Senator Steiner Hayward, and Representative Rayfield,

Since 2015, the State Legislature has prioritized the tremendous flood safety issues facing our state by creating and funding a levee-related loan fund under the Special Public Works Fund (SPWF) of Business Oregon's Infrastructure Finance Authority (IFA). In 2019, the Legislature went a step further to provide financial support for local jurisdictions to address the critical flood safety issues by establishing a grant fund to support flood safety infrastructure projects by designating \$15 million in lottery bonds to populate the fund.

We appreciate the state budget challenges resulting from COVID-19 and the difficult position of deciding what does and does not get funded this year and beyond. We also understand the State is not able to make any bond sales at this time. Despite this, we must ask you for help as our communities are still left with aging flood safety infrastructure and huge risk looming over us. Not only are we dealing with aging infrastructure with limited means to make the upgrades that are needed to improve it, many of our communities also face the potential loss or inability to secure accreditation through the Federal Emergency Management Agency (FEMA). As long as our levees remain accredited, FEMA will not classify the area behind them as a 100-year floodplain, or Special Flood Hazard Area, which means that existing and new development will not be required to build to floodplain standards. Additionally, levee accreditation also provides residents and businesses behind the levees with access to lower-cost flood insurance through the National Flood Insurance Program (NFIP).

Over the last 15 years, new FEMA and US Army Corps of Engineers standards have made it far more expensive and time-intensive to achieve and maintain accreditation and local access to the NFIP. In Portland, we anticipate it could take at least \$20 million to recertify the 27-mile levee system along the Columbia River that protects critical public assets like the Portland International Airport major economic drivers for the region, and residents.

... Home of the World Famous Pendleton Round-Up ...



City of Pendleton and Umatilla County experienced a flood event in February that exceed the 100-year base flood projection.

Pendleton Zone 2 Levee, owned by Umatilla County, protects the wastewater treatment plant and industrial areas located into the Rieth community downstream of Pendleton. This levee was discontinued in the US Army Corps of Engineers rehabilitation inspection program (RIP) in 2011 due to lack of maintenance. The levee suffered several breaches were not related to lack of maintenance. City and County are still wrapping up repairs for the Pendleton Zone 2 Levee. Expected final cost of repairs will be in the neighborhood of \$2.1 million. City and County were fortunate to receive an emergency declaration from the State of Oregon and grant funding in the amount of \$1.8 million to assist with these repairs. City is administering the funds and has pledged to return any FEMA reimbursement back to the State of Oregon if and when it is received. Without the State's support, our local jurisdictions would not have been able to affect the repairs and help restore to major employers and keep about 400 jobs in Pendleton.

Pendleton Zone 1 Levee, which is owned and maintained by the City of Pendleton, protects most of the City's downtown area an industrial area. With the recent flood event, the Zone 1 Levee performed admirably and suffered minor damage. Due to seepage, City had a flood fight occur over a 2-hour period just before the crest of the event and sealed off the seepage. Damages are underway to be repaired by the US Army Corps of Engineers this fall. They will cover 100% of the cost since this levee is in the US Army COE RIP. In regards to FEMA accreditation for the Pendleton Zone 1 Levee, City discontinued the effort about 10-years ago after an insurance company provided 500-year plus protection certification for the Pendleton Zone 1 Levee.

We understand that the state is not in the position to sell lottery bonds at this moment, but we ask you to consider replacing the \$15 million that the state legislature allocated for flood safety projects in other ways. At minimum, please find a way to fund this account in the next biennium. Flooding will only exacerbate an already extremely challenging moment for our state and country. We cannot afford to let this infrastructure languish, but without your help, we also cannot afford to fix it.

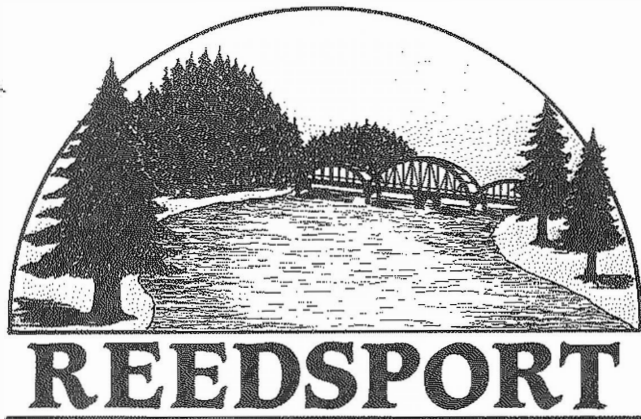
Sincerely,



Bob Patterson, PE

Public Works Director & Levee Owner Representative





CITY of REEDSPORT

451 Winchester Avenue
Reedsport, Oregon 97467-1597

Phone (541) 271-3603
Fax (541) 271-2809

July 23, 2020

Senator Betsy Johnson
Oregon State Senate
900 Court Street NE #S-200
Salem, OR 97301

Senator Elizabeth Steiner Hayward
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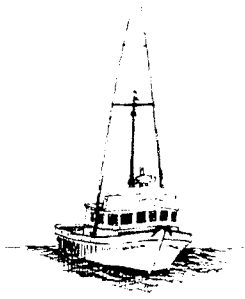
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Sincerely,

A handwritten signature in black ink, appearing to read "Linda McCollum". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mayor Linda McCollum
City of Reedsport



July 21, 2020

Dear Members of the Subcommittee on Transportation and Economic Development,

I am writing to you today with an important update on the status of the Port of Port Orford's redevelopment project, the new Port Orford Seafood Hub. This economic development project will be groundbreaking in co-locating commercial fishing, including a unique live fish operation, a state-of-the-art marine research and teaching lab, mariculture operations, and community engagement facilities, including ocean recreation and ecotourism amenities. The project, years in the making, had recently suffered certain unavoidable delays related to the COVID-19 pandemic, but is now rapidly approaching a milestone that will ensure its success by leveraging \$13M in Federal capital development dollars through the CARES Act for the US Economic Development Administration, and we are excited to share the following important developments:

- The Port has contracted with PARC Resources for grant writing services, and they are currently finalizing our proposal to the US Economic Development Administration for major funding in support of the Port Orford Seafood Hub Project. The \$1.6M state appropriation is currently leveraging another \$13M in Federal funding from the USEDA to be committed to this \$16M redevelopment project, along with other matching funds acquired by the Port. We expect to submit this proposal to the USEDA within a few weeks.
- The Port of Port Orford is currently in negotiations with The Ford Family Foundation to secure a \$500,000 Program Related Investment (PRI) to be used as match for the grant from the US Economic Development Administration.
- The Port competed effectively for a Regional Infrastructure Fund grant in the amount of \$500,000, and these funds have been committed to this project to support the installation of a high-volume seawater pump ashore system. Port Orford's unique ocean-adjacent location makes it the ideal location for a facility supplied throughout with seawater directly from the ocean to support multisector operations making use of this valuable and rare resource.
- The Port has received a grant from the Wild Rivers Coast Alliance in the amount of \$200,000, and these funds have been committed as match toward the EDA grant.
- The Port has met several times with Nympha Garces, Oregon's Regional Manager for the US Economic Development Administration, who is enthusiastic about the project due to its cutting-edge approach to economic development in the emerging blue economy. EDA has previously reviewed our preliminary proposal and has invited a full proposal.

- The Port has just received a \$150,000 grant from the Oregon Community Foundation to support Project Management for the Port Orford Seafood Hub. We just completed a pre-proposal conference and expect to receive strong bids for this work. We anticipate bringing aboard the new Project Manager in August.
- The Port of Port Orford contributes \$12M annually to Oregon's economy.
- Representative Peter De Fazio and Senator Jeff Merkley have expressed strong support for the Port Orford Seafood Hub.
- The Port has the enthusiastic support of the Curry County Commissioners, Port Orford City Council, and Port Orford Mayor's Office.
- The Port has the enthusiastic support of the commercial fishing fleet, and the Port Orford community for the Port Orford Seafood Hub and surrounding community amenities.
- The Port has the support of Oregon State University, which is poised to partner with the Port to operate a marine science, education, and engagement facility to be included in the Seafood Hub as part of the coast-wide Marine Studies Initiative and in coordination with OSU's Port Orford Field Station.
- As you can see, the \$1.6M appropriation from the Oregon State Legislature, included in HB2366, is critical to the success of the new Port Orford Seafood Hub. Without these funds, the project may not be viable.
- The Port Orford Seafood Hub will be a transformative project for Port Orford and the region. Without it, we fear that the Port, the very heart of Port Orford, could begin an inexorable decline into irreversible financial damage.
- This \$1.6M appropriation from the Oregon State Legislature is the key that will unlock \$13M in federal economic development funding and the great potential contained within the Port Orford Seafood Hub.
- We understand that avoiding the loss of federal matching funds is one of the guiding principles being followed by the members of the Joint Committee on Ways and Means during this challenging process, and we encourage you to adhere to this principle and retain the \$1.6M in funds for the Port of Port Orford in the state budget for this biennium.

We thank you for your ongoing support for the Port of Port Orford, and for the new Port Orford Seafood Hub. Please do not hesitate to contact us with any questions or additional information.

Thank you and take care,

Commission President Aaron Ashdown

A handwritten signature in black ink, appearing to read 'Aaron Ashdown', with a stylized, flowing script.



Dear Members of the Subcommittee on Transportation and Economic Development,

I am writing to you in response to the proposed cut to the Port of Port Orford for the \$1.6M included in HB2366. My name is Derrick Foley and I am the VP of Oregon Sea Farms (OSF), a locally ran family business that has operated on the Oregon coast for over 30 years.

Our experiences over the past three decades in the commercial diving industry have led us to cross paths with researchers and regulators with similar interests. In wanting what's best for our coastal communities, we recently partnered with OSU and the Oregon Kelp Alliance on a Dulse Seaweed farming project on the port of Port Orford. What started with a single 200 gallon aerated tank with 10lbs of wet Dulse has since expanded to 3 - 1,000 gallon tanks, and 5 - 2,500 gallon tanks, which sustainably farms over 1,000lbs of Dulse.

We have proven our concept to work despite significant funding hindrances to our resources and current space. The next step in our operation is to introduce more tanks and make way for phase 2 of using our Dulse seaweed as a feed product for purple sea urchins. The purple sea urchins are a recent invasive species that have taken a toll on near shore kelp populations.

Our current operation in the area currently employs 7 people, and our success to grow in the community will be contingent upon the Port's development. The work we are developing along with our partners OSU and ORKA is cutting edge for the industry. Our collaboration at this base is the perfect spot to help promote and create solutions to the changes we see out in the ocean.

In order to make the next advancements to the blue economy we are trying to develop in Port Orford, the support from your committee will be essential to its success.

Thank you for your attention to this matter, I wish you all good health.

Sincerely,

Derrick Foley | Vice President
Oregon Sea Farms

Derrick Foley

The South Coast Development Council, Inc.

2110 Newmark Avenue | Coos Bay, OR 97420 | 541-888-7003 | www.scdcinc.org

The South Coast Development Council's mission is to promote and support businesses that provide quality jobs through responsible development on Oregon's South Coast.

July 23, 2020

Joint Interim Committee on Ways and Means
Subcommittee on Transportation and Economic Development
Senator Arnie Roblan, Co-Chair
Representative Mark Meek, Co-Chair
Members of the Subcommittee



Co-Chair Roblan, Co-Chair Meek and Members of the Committee:

The South Coast Development Council, Inc (SCDCinc) has reviewed the proposed 2020 Budget Rebalance Plan and Agency Reduction Detail for Oregon Business Development Department (OBDD) known as Business Oregon. The SCDCinc is a regional economic development organization for the Southern Oregon Coast, and Business Oregon administers critical programs that help communities across our region to grow businesses, retain jobs and develop much needed infrastructure.

The communities in our region that SCDCinc and Business Oregon serve, rely on these programs in their work to create economic development opportunities. Additionally, the cuts to vital infrastructure programs and projects, such as tide gates/culverts and specifically the Port of Port Orford redevelopment project are unacceptable. These cuts directly target isolated rural coastal communities that rely on these funds to replace, maintain, and improve these vital pieces of infrastructure. Further cuts will hinder the already dilapidated utilities, ports, and transportation networks in our region, further exasperating our ability to recover from this unprecedented crisis.

We know that the significant loss in revenue from lottery receipts will impact economic development efforts. Unfortunately, this scenario threatens to make economic recovery more difficult in 2021 and beyond. We acknowledge the revenue challenges the State and this committee are dealing with, however, at the same time, we hope this committee will recognize the need to invest any federal money directly into economic development programs. Economic development will lead Oregon's economic recovery, and we must invest in recovery work with urgency, especially in our rural communities.

Thank you for the opportunity to urge continued investment in Business Oregon and in Oregon's recovery.

Sincerely,

Shaun Gibbs
Executive Director
South Coast Development Council, Inc.





Thank you ladies and gentleman for this opportunity to share our views on the importance of the Oregon Gap Fund and its administration by Elevate Capital.

I'm Candice Smith and I founded Caregiven after caring for my Dad during his end-of-life. Caregiven is a health/fintech/insurtech startup that addresses the emotional and practical challenges of end-of life-care by empowering family caregivers through our mobile app and platform.

For Caregiven, an early investment by the Oregon Gap Fund is much more than a vital infusion of capital or a validation point of our business model, it enables our start-up to keep our headquarters in Oregon, creating jobs for Oregonians and giving back to our community.

There are startup ecosystems backed by city, regional and state funding that are actively recruiting companies with offers of capital, connections and customers. The incentives are significant: accelerators/incubators/venture studio environments, active angel networks, pre-seed and seed institutional investments, pilot opportunities with F500 companies, etc. Look to Milwaukee and Des Moines for examples. One of the six cohort members of the Global Insurance Accelerator that Caregiven participated in earlier this year has relocated from San Diego to Des Moines.

My co-founder and I wish to remain in Oregon, yet we have to ask ourselves hard questions about the implications that will have on our ability to scale. Which is why the Oregon Gap Fund is imperative.

Access to early institutional capital for pre-product and pre-revenue Oregon companies from those who "know us best" is elusive. The absence of local investors on a cap table raises questions and can make us vulnerable. Which is why the Gap Fund is so important.

Startups don't need additional reasons for investors to say "no". The Oregon Gap Fund empowers investors to say "yes".

Thank you for the initial investment into the Fund and I hope you will consider further investment. There are incredible founders and companies who call Oregon home and wish to grow their businesses here. Oregon Gap Fund investments enable that.

Candice AD. Smith
Founder & CEO

Testimony
Friday, July 24, 2020 11:51:41 AM

To Whom It May Concern,

I wanted to share that the Gap funding I will receive has been a project saver! I am a practicing physician working on a new device that has great potential and I have a great team. I am hoping to get future funding but have a little more design work to complete. These funds have come to my rescue. I am so appreciative! I honestly don't know where I would have turned to support my early development. Thank you, Thank you!

Sincerely,
Kimberly Hutchison, MD
OHSU, Portland,OR

Sent from my iPhone

Dear Chair and Members of the Transportation and Economic Development Committee.

I am Ken Stedman, resident of Multnomah county and founder of StoneStable, Inc. a startup company developing vaccine-enhancement technology that has been supported by Business Oregon in the past and is in line for support from the Gap Fund through Elevate Capital. We are grateful for the support from the Gap Fund but were surprised at the low initial investment. An increased investment in the Gap Fund will allow StoneStable to hire more workers and make faster progress towards a better COVID-19 vaccine to save the lives of Oregonians and help get us all "back to normal" faster.

Thank you for considering increasing this investment in Oregon's future, we will do our best to make sure that it is well invested.

Sincerely,

-Ken

--

Ken Stedman
CSO and Founder
StoneStable, Inc.
www.stonestable.com
[@XtremeVirusProf](#)



July 23, 2020

Joint Subcommittee on Transportation and Economic Development
Oregon State Legislature
Salem, OR 97301
Attn: Representative Meek

RE: Support for Innovation Gap Fund

Dear Representative Meek and committee members,

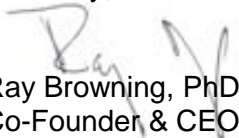
I am writing to express my enthusiastic support for the Innovation Gap Fund and Elevate Capital as it's steward. I am the co-founder and CEO of BiOMOTUM, a medical device startup company. We aim to transform the treatment of individuals with physical disabilities, including children with Cerebral Palsy. We have a product that has shown great promise for improving mobility and quality of life in individuals with movement disorders and are excited to bring this device to market. To make our business a reality, we need significant early stage investment and are actively seeking financial support from friends & family, individuals investors, angel groups and the Gap fund.

I understand that the Innovation Gap Fund is associated with the Oregon Innovation Council (Oregon InC) and Business Oregon, as part of the state of Oregon's economic development efforts. I am a strong supporter of state efforts to foster and accelerate entrepreneurs and the new companies they create. I have seen first-hand how these efforts lead to direct and indirect opportunities locally and across the state. In my opinion, this is particularly important in areas such as technology and healthcare, as these will continue to be economic drivers for decades to come. For BiOMOTUM, early investment by the Gap fund could help us become a successful company that employs several individuals in high paying jobs. In addition, I have found Ben Nahir and the Elevate team to be very focused on helping us to be successful. They have provided mentorship, knowledge and connections that have been invaluable. As a potential Gap fund company, I am excited about the value the Elevate team can bring to our business.

The commitment to entrepreneurship and innovation by the the state of Oregon has been admirable and I'm sure the decision to support these investments will be challenged in the current pandemic environment and associated budget ramifications. I encourage the state to take a long-view approach and continue to support these businesses through programs like the Innovation Gap Fund. I am certain that these investments will pay significant dividends for the citizens of Oregon.

Thank you for your continued support of entrepreneurs and please let me know if I can be of further assistance.

Sincerely,


Ray Browning, PhD
Co-Founder & CEO
BiOMOTUM



OSBU.org

Asian Pacific American Chamber
of Commerce
Business For A Better Portland
Bricks Need Mortar
Central Oregon
Intergovernmental Council
Clackamas County Business
Alliance
Community Lending Works
Eugene Area Chamber of
Commerce
Foundry Collective
Greater Portland Inc.
Hacienda CDC
Latino Network
Livelihood NW
Main Street Alliance of Oregon
Microenterprise Services of
Oregon
Native American Youth and
Family Center
Northeast Oregon Economic
Development District
Oregon City Business Alliance
Oregon Native American
Chamber
Oregon RAIN
Portland Area Business
Association
PNW Packaged Food & Beverage
Group
Philippine American Chamber of
Commerce of Oregon
Portland Independent Restaurant
Alliance
Professional Business
Development Group
Point West Credit Union
Rural Development Initiatives
TIE Oregon
Warm Springs Community Action
Team
Worksystems
XXcelerate

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Representative Mark Meek, Co-Chair
Joint Committee on Ways & Means
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900 Court Street NE
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Co-Chairs Senator Roblan & Representative Meek, and members of the
committee:

Oregon Small Business United (OSBU), is a newly formed coalition focused
on uniting and amplifying the voices of small business and organizations
serving small businesses. Our coalition has been formed with a strong
focus on Black, Indigenous, and people of color (BIPOC) and rural
entrepreneurship, and we are working to ensure these communities'
needs are met as our elected leaders address the economic crisis caused
by the COVID-19 pandemic.

We write to you today to express our concern about many of the budget
cuts that are proposed for the Oregon Business Development Department
(OBDD). As Oregon small businesses attempt to recover from this
pandemic, it is vital that OBDD has adequate resources to support current
programs and adapt new programs aimed at supporting our state's small
business recovery. Our coalition has successfully advocated for additional
resources to be allocated through the Legislative Emergency Board to
OBDD to stand up and implement several new programs. Those programs
include the Small Business Assistance Matching Fund, Small Business
Technical Assistance Grants, and the Personal Protective Equipment
assistance for small businesses.

Our coalition recognizes the difficult decisions that legislators will be
forced to make, and we ask that you prioritize cuts that do the least harm
to agency capacity and allow for the important economic recovery work to
be carried out uninterrupted.

Thank you for the important work you are doing for Oregonians, and for
the opportunity to share our testimony with you today.

To the Oregon Legislature,

My name is Emily Bradley and I am in the Resource Assistance for Rural Environments (RARE) AmeriCorps Program placed with the City of Reedsport. I am speaking on my own behalf based on my experience in my position and time in the Reedsport community. My words below do not reflect nor are they on behalf of the RARE Program or City of Reedsport.

I am finishing up my second term in the RARE Program and for the past two years, I have been working on a number of Economic Development Projects in Reedsport. I've reviewed the proposed 2020 Budget Rebalance Plan, and I can confidently say that as is, the budget cuts will have a negative impact on Oregon's rural economies like Reedsport and their ability to recover from the economic downturn caused by the COVID-19 pandemic. Business Oregon plays a crucial part in economic development, even more so now during an economic disaster. Small businesses are the backbone of Oregon communities, and cutting Business Oregon programs will only further slow the ability for rural communities to recover from the economic disaster caused by the pandemic. Of course, it's unavoidable that economic development at the local, regional, and statewide levels have been and will be impacted by loss of funds caused by the economic downturn. However, the current budget rebalance plan will make things more difficult in economic and business recovery in Oregon.

Thank you for taking the time to read my email and the opportunity to encourage further investment in Business Oregon and Oregon's recovery from the economic disaster.

Take care,
Emily

--

Emily Bradley

she/her/hers

emilbradle@gmail.com

C: 586-945-4055



culturaladvocacycoalition

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Paul Cosgrove
Lobbyist

July 24, 2020

The Honorable Arnie Roblan, Co-Chair
The Honorable Mark Meek, Co-Chair
Joint Subcommittee on Transportation and Economic Development
Oregon Legislature
Salem, Oregon 97301

Dear Co-Chairs Roblan, Meek and Members of the Subcommittee:

On behalf of over 300 members of our Coalition, we urge you to mitigate to the extent possible the reductions proposed for arts and culture in the Business Oregon budget rebalancing.

The cultural sector is struggling to survive in the COVID-19 world when it is unclear if audiences can return safely in the future. Although it's a deep time for retooling, it is also true that arts, culture, heritage and humanities are critical to our recovery as a people. We will need a strong and growing cultural sector that is understood as one of Oregon's important economic drivers of tourism and commerce.

We urge you to reject proposed General Fund cuts to the arts of over \$300,000 and specifically, the proposed cuts to CREF Lottery Bonded funded capital projects of over \$300,000. These projects include several significant historic and present day community treasures that have relied on the state commitments made and which will enrich our state for the future.

Thank you for your attention and advocacy for saving these critical investments.

Best,

Nancy Golden
President



July 23, 2020

Senator Arnie Roblan
Representative Mark Meek
JWM Subcommittee on Transportation and Economic Development
900 Court St. NE
Salem, OR 97301

RE: University Innovation Research Fund, High Impact Opportunity Projects, Signature Research Centers and the OR InC Commercialization Fund

Dear Co-Chairs Roblan and Meek and members of the Transportation and Economic Development Subcommittee,

During the 2019 Legislative Session, the Legislature approved \$10 million for a University Innovation Research Fund (UIRF), a new grant-matching program administered by Business Oregon, through the Oregon Innovation Council (Oregon InC). The goal of the UIRF is to enable Oregon's public universities to better compete at the national level for federal research funds aimed at economic innovation that require a local match.

As you know, each year the federal government issues numerous grant opportunities that could contribute to Oregon's innovation economy. Oregon's public universities frequently compete individually, collaboratively, or as members of national teams for significant federally-funded grants.

These grants frequently require non-federal matching funds. The UIRF, which is aimed specifically at economic innovation projects, sends a strong signal to federal granting authorities that there is an immediate and dependable commitment for a proposal's objectives, thus giving Oregon research proposals an advantage in the federal sphere.

Since the close of the 2019 session, Oregon's research universities worked closely with Business Oregon to develop rules and guidelines for program eligibility and award. To date, the UIRF has committed \$2.95 million to fund five university projects, with proposed federal and industry matches of \$20.1 million (see Appendix 1). This match rate of more than 5:1 has and will bring significant additional economic innovation research revenue directly into the state of Oregon. The UIRF has been put on pause in recent months due to reductions in state revenue. We are open to considering ways to temporarily adapt the UIRF to be responsive to the critical public

health research needs stemming from coronavirus pandemic, including testing and tracing initiatives.

Additionally, other Oregon InC programs including the High Impact Opportunity Projects (HIOPs), Signature Research Centers (SRCs) and the OR InC Commercialization Fund have a direct and critical intersection with research and innovation at our universities. Each of these partnerships has enabled commercialization of both public and private R&D, created jobs and fostered entrepreneurial growth across the state. These programs rely on lottery funds which has made them particularly vulnerable during this time.

Although we face an uncertain state budget environment, it is critical that programs focusing on economic innovation and commercialization be supported because they are proven to drive research revenue into the state and promote public-private partnerships that holistically support the economy. These programs must remain viable in future budgets to enhance the competitiveness of Oregon's research universities and build-out important economic innovation projects across the state.

Sincerely,

Peter Barr-Gillespie
Chief Research Officer
Oregon Health & Science University

Irem Tumer
Interim Vice President for Research
Oregon State University

Cassandra Moseley
Interim Vice President for Research and Innovation
University of Oregon

Jason Podrabsky
Interim Vice President—Research & Graduate Studies
Portland State University

Abdy Afjeh
Vice Provost Research & Academic Affairs
Oregon Institute of Technology

CC: Senator Betsy Johnson, Senator Elizabeth Steiner Hayward, Representative Dan Rayfield

Appendix 1
List of funded UIRF projects

Department of Defense U.S. Army Medical Research and Material Command

Institution: University of Oregon

Amount of UIRF awarded: \$600,000

Awarded federal funding: \$600,000

Additional leveraged funds committed: \$5,200,000

Description: The overall goal of the ReMDO Media Project is to develop chemically defined and xeno-free culture media that would represent clinical manufacturing industry standards. This research has significant scientific and innovation impact, as a universal media could accelerate the development and manufacturing of regenerative medicine clinical products by standardizing cell culture media. Currently, media for clinical manufacturing are developed independently for each product, and must each be evaluated by the FDA.

Status: Match committed

Department of Energy National Marine Renewable Energy Center Infrastructure Upgrades

Institution: Oregon State University

Amount of UIRF awarded: \$250,000

Awarded federal funding: \$1,250,000

Additional leveraged funds committed: \$4,750,000

Description: This project will provide a pipeline of marine energy developers to support Oregon's shipyards, manufacturing companies, maritime vessel operators, and the entire marine energy supply chain and will, therefore, lead to short- and long-term economic benefits. Specifically, we anticipate clean technology developers, project development firms, the most driven students from across the US, and their start-up companies to centralize operations in Oregon.

Status: Match committed

NSF Major Research Instrumentation Program: Scanning Transmission Electron Microscope

Institution: Portland State University

Amount of UIRF awarded: \$600,000

Requested federal funding: \$1,400,000

Description: Portland State University (PSU) is seeking funding to acquire an ultra-high-resolution scanning transmission electron microscope (S/TEM) with unique chemical analytical capabilities aimed at promoting research and education at PSU and supporting local industry's product innovations. To achieve these objectives, the proposed new S/TEM is not only equipped with ultra-high-resolution imaging and spectroscopy capabilities but also integrated with unique chemical analytical techniques that enable users to conduct high resolution *in situ* magnetic characterizations and low-kV chemical analysis. These capabilities will advance the development of rapidly growing innovations, including wearable technology, biotech, advanced materials, and nano-electronics for companies in the Greater Portland region and beyond.

Status: Match promised/pending federal award status

Economic Development Agency: Accelerate Oregon

Institutions: Oregon State University, University of Oregon, Portland State University and Oregon Health and Sciences University

Amount of UIRF awarded: \$1,499,545

Requested federal funding: \$1,499,545

Description: Accelerate Oregon intends to directly address the challenges identified in the Oregon benchmarking study by increasing investments in innovation capacity, providing continuity in support services, and growing the rate of scalable start-up formation in Oregon with a focused and intentional coordination and expansion of existing programs. The program will accomplish these aims by harmonizing curriculum and creating mechanisms to share resources and mentors across the identified elements and assets, and by formalizing and cementing connections to other ecosystem partners, support services, and early stage funding firms in the region. The state-wide coordinated effort will help entrepreneurs scale early stage deep technology companies by providing increased early training in product/market fit, customer discovery, business model canvas, and the language of business and scalable growth, as well as increasing networked connections and access to funding and industry partnerships.

Status: Match promised/pending federal award status

Department of Energy: Bioenergy Technologies Program

Institution: Oregon State University

Amount of UIRF awarded: \$487,500

Requested federal funding: \$1,950,000

Description: Working in collaboration in partnership with industry partners and the Pacific Northwest National Laboratory, Oregon State University (OSU) intends to develop specialized microchannel reactors for distributed manufacturing of high-energy biofuels that are safe for the environment. High energy biofuels (kerosene, diesel, and gasoline hydrocarbons) are not easily manufactured, with the current state-of-the-art manufacturing technologies requiring large facilities for production. Because of their size, cost, weight, and complexity, these facilities must be centralized -- imposing the need for long-distance transportation of biomass inputs for production. This transportation penalty not only increases costs, but also severely reduces opportunities for carbon neutrality (since fuels are consumed in transportation). Consequently, the DOE has issued an RFP with the challenge of finding solutions. OSU will use its DOE and UIRF support to develop and manufacture a miniaturized biofuel production technology that is capable of producing jet-grade fuels. This innovation will make possible widespread, distributed production of high-energy biofuels supporting the nation's economy and carbon neutrality.

Status: Match promised¹/pending federal award status

¹ This project was considered after the agency paused committing awards to new UIRF projects. It will be funded if one or both of the projects awaiting decisions by the federal agencies are not approved for their respective federal awards.

July 23, 2020

Joint Interim Committee on Ways and Means
Subcommittee on Transportation and Economic Development
Senator Arnie Roblan, Co-Chair
Representative Mark Meek, Co-Chair
Members of the Subcommittee

Co-Chair Roblan, Co-Chair Meek and Members of the Committee:

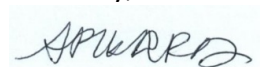
Oregon Economic Development Association (OEDA) has reviewed the proposed 2020 Budget Rebalance Plan and Agency Reduction Detail for Oregon Business Development Department (OBDD) known as Business Oregon. As the state's economic development agency, Business Oregon administers critical programs that help communities across the state to grow businesses and jobs. The statewide economic development community that OEDA represents relies on these programs in their work to create economic opportunity on the ground.

We know that the significant loss in revenue from lottery receipts will impact economic development efforts. Unfortunately, this scenario threatens to make economic recovery more difficult in 2021 and beyond. We acknowledge the revenue challenges the State and this committee are dealing with. At the same time, we hope this committee will recognize the need to invest any federal money directly into economic development programs. Economic development will lead Oregon's economic recovery, and we must invest in recovery work with urgency.

OEDA is Oregon's statewide organization exclusively focused on economic development. Our network comprises economic development professionals from over 150 Oregon cities, counties, ports, utilities, tribes, regional EDOs as well as partners in business assistance, entrepreneurship, and workforce development. This professional community offers unparalleled expertise and knowledge of the tools, resources and conditions required to deliver inclusive economic opportunity for Oregonians. We are committed to being a consultative resource on economic development and to bringing our knowledge in this area to bear in conversations about economic recovery in Oregon.

Thank you for the opportunity to urge continued investment in Business Oregon and in Oregon's recovery.

Sincerely,



Avery Pickard, Executive Director
Oregon Economic Development Association



July 24, 2020

Ways & Means Subcommittee on Transportation and Economic Development

Chairs Roblan and Meek, members of the committee;

The Oregon Bioscience Association (Oregon Bio) represents biotech companies throughout the state developing critical lifesaving drugs, advanced health-care technologies, and cutting-edge medical devices. Oregon Bio supports Oregon's bioscience community through networking, educational programs, enterprise support, advocacy, and the enhancement of research collaboration. We advocate for programs and policies that foster innovation and work to ensure adequate access to health care products and services for all Oregonians, including those most vulnerable facing rare and orphan conditions searching for new treatments, therapies and cures.

Oregon Bio works closely with the Oregon Translational Research and Development Institute (OTRADI). Our membership includes innovators who started right here in Oregon as well companies who have graduated from OTRADI and now attract capital and provide well-paying jobs within our state. OTRADI has proven to be a good return on investment for the state and a success story of signature research centers, incubators, and public/private partnerships.

We understand the difficult challenges your committee faces in addressing significant general fund and lottery revenue shortfalls. We hope you and your colleagues in the House and Senate will recognize the contributions OTRADI and the SBIR grant program has made to Oregon's economy and the type of jobs the biotech sector creates in Oregon and Southwest Washington. Support from Business Oregon's budget is critical to continuing to maintain and build Oregon's workforce during these challenging times, particularly for companies that will be on the cutting edge of solutions to this and future public health crises. While we encourage you to preserve the level of support allocated at the start of the biennium, if funding is not practical today, then in the future, consider how important organizations like OTRADI and programs like the SBIR grants are key to ensure our emerging biotech companies can transition from innovation to operations.

We look forward to partnering together to find ways to address these challenges together.

Sincerely,

A handwritten signature in dark ink, reading "Liisa Bozinovic". The signature is written in a cursive, flowing style.

Liisa Bozinovic
Executive Director

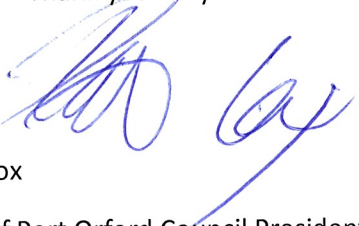
7-24-2020

Hello and thank you for the time.

My name is Pat Cox, I reside in Port Orford, Oregon. I serve as Council President of the City Council. Recently I have been hired by the Port of Port Orford as Manager. I have been a resident of Port Orford for 41 of my 44 years. I was here to see the decline in the logging industry. It has been assumed that the fishing industry has declined as well, but the hard Data tells a much different story. The Port Orford fleet has diversified and has shown a consistent rise in our product sales.

This Redevelopment hits all the facets that our Port, community, and county need to once again become a financially viable portion of the state. 2020 has been a devastating year for all of us but these matching funds are terminally vital for the Port Orford Seafood Hub. This Redevelopment will change the Coastline of Oregon and is just what the state needs to recover from the situation we find ourselves in. The future of the Port of Port Orford and the City of Port Orford is hinging on your decision today, and I realize that every Project is in the same boat, but I feel that this is the most important item that is on your agenda.

Thank you for your consideration,



Pat Cox

City of Port Orford Council President

Port Manager of Port Orford

Long time resident and supporter of Port Orford

Esteemed Members of the Joint Committee,

I am writing in support of the University Innovation Research Fund and the Oregon Innovation Council's Commercialization Gap Fund and High Impact Opportunity Projects, each of which has been identified for severe cuts in the proposed 2020 Rebalance Plan.

For nearly two decades, The Oregon Innovation Council has advocated for investment in and support of nascent businesses commercializing novel research and technology. Economic research is clear: Government intervention is critical to the support of new industries, many of which require a decade or longer to move from prototype to market-readiness. Oregon's support of advanced manufacturing with nanoscience and micromaterials; clean energy; and biotechnology are starting to pay dividends. For example, the Portland Metro area now has the 8th highest concentration of metals engineers in the nation, with an average wage of nearly \$95,000.

Unlike projects that are well-established, the Commercialization Gap Fund and High Impact Opportunity Projects are, by definition, brand-new investments. Funding companies and projects at the pre-seed stage gives the State the best opportunity to maximize the return on its investment, both in terms of economic impact and real dollars. The opportunity cost to the State of halving the Commercialization Gap Fund and the HIOP program is a missed investment in a double-digit number of new businesses, investments that will start to immediately pay dividends to the state in terms of job creation and economic activity.

The University Innovation Research Fund is vital in helping Oregon researchers compete for Federal funding - funds supplemented or matched by State governments are often a required part of these Federal grant applications, and eliminating these funds can mean forfeiture of Federal dollars to states and research institutions who haven't pulled back their support. Through novel funding opportunities in the CARES Act and via the Small Business Administration's SBIR program, the Federal government is using the COVID crisis for unprecedented investment in American scientists, researchers and innovators – now is the wrong time for Oregon to do the opposite.

I urge the committee to consider support for innovation and research as vital to Oregon's economic recovery from an unprecedented crisis. Innovation will drive the continued transformation of Oregon's economy from one based in our natural resources to one driven by the talent and ingenuity of our entrepreneurs and workers, and will drive wealth creation that's more equitable and more sustainable than the elements of our economy we will be forced to leave behind.

Sincerely,

Jennifer Lynch
Chair, Oregon Innovation Council
Managing Director, Portland Seed Fund

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Jenn Lynch / Managing Director / [Portland Seed Fund](https://portlandseedfund.com) / 503.419.3007 / www.portlandseedfund.com