



*Everywhere  
Central Oregon  
Works*

March 22, 2019

House Committee on Economic Development  
900 Court St. NE  
Salem OR 97301

RE: COIC Support for HB 3110

Dear Chair John Lively and Members of the Committee:

The Central Oregon Intergovernmental Council (COIC) Board of Directors strongly supports passage of HB 3110 – in order to support Oregon’s smallest and most rural communities to identify, apply for, and obtain funding for needed infrastructure and capital projects. As a Council of Governments and a federally-designated Economic Development District (EDD), COIC recognizes the great need for these types of services in Central Oregon and beyond. The existing statewide network of COGs and EDDs are well-situated to deliver these services because we already work with the communities, we understand their needs, and we know the funding sources. For this reason, we also support the Dash-2 Amendments dated March 13, 2019 and which are attached to this letter. We do not need to establish a new delivery system when there is already one in place in Oregon.

HB 3110 also provides a three to one return on investment to the state, as conservatively estimated in the legislation. COIC is currently developing other resources that could provide significantly more leverage.

In August 2017, the COIC Board adopted COIC’s Comprehensive Economic Development Strategy (CEDS), which included a list of priority projects for our rural communities. In the absence of funding to support rural capacity, it is very difficult for COIC to deliver on our mission to support these communities and their priority projects.

We are convinced that HB 3110 will provide tangible benefits to our rural communities and we strongly urge passage.

Sincerely,

A handwritten signature in black ink that reads "Jerry M. Brummer". The signature is written in a cursive style with a large, sweeping initial "J".

Jerry Brummer, Chair  
COIC Board of Directors

Requested by Representative BONHAM

**PROPOSED AMENDMENTS TO  
HOUSE BILL 3110**

1 On page 1 of the printed bill, line 2, before the period insert “; and de-  
2 claring an emergency”.

3 Delete lines 4 through 27 and delete page 2 and insert:

4 **“SECTION 1. As used in sections 1 to 7 of this 2019 Act, unless the**  
5 **context clearly requires another meaning:**

6 **“(1) ‘City’ means a city, town or other community located in this**  
7 **state with a population of 2,500 or less.**

8 **“(2) ‘District association’ means Oregon’s Economic Development**  
9 **Districts, an organization consisting of member districts designated**  
10 **by the United States Economic Development Administration.**

11 **“(3) ‘District member’ means a district that is a member of**  
12 **Oregon’s Economic Development Districts.**

13 **“(4) ‘Grant administrator’ means a person that provides fiscal ad-**  
14 **ministration, grant compliance, grant reporting and other similar ad-**  
15 **ministrative services required by grant-awarding entities.**

16 **“(5) ‘Rural area’ means an area located in this state that is entirely**  
17 **outside the acknowledged Portland Metropolitan Area Regional Urban**  
18 **Growth Boundary and the acknowledged urban growth boundaries of**  
19 **all cities with populations of 30,000 or more.**

20 **“(6) ‘Rural capacity builder’ means a person that assists communi-**  
21 **ties in rural areas:**

1       **“(a) To determine local priorities for community and economic de-**  
2 **velopment;**

3       **“(b) To develop tools, processes and partnerships to address local**  
4 **needs; or**

5       **“(c) By providing grant writing services.**

6       **“(7) ‘Rural county’ means a county of this state with a population**  
7 **of 12,000 or less.**

8       **“(8) ‘Rural grant services’ means assistance to communities in ru-**  
9 **ral areas in identifying funding opportunities to meet community and**  
10 **economic development needs and in applying for grants.**

11       **“(9) ‘Rural jurisdictions’ means rural counties and cities, school**  
12 **districts and special districts located in rural areas.**

13       **“SECTION 2. (1) The Oregon Business Development Department**  
14 **shall expend moneys in the Oregon Rural Capacity Fund established**  
15 **under section 7 of this 2019 Act to provide resources to Oregon’s Eco-**  
16 **nomi c Development Districts for the purposes of assisting rural juris-**  
17 **dictions to learn about, successfully apply for and administer grants**  
18 **and other forms of funding available from any public or private**  
19 **source. The rural jurisdictions shall use such resources to attain the**  
20 **staffing and financial and technical capacity necessary to carry out**  
21 **proactive strategies for workforce, infrastructure, economic and com-**  
22 **munity development in the rural jurisdictions.**

23       **“(2) The district association shall assist, or provide for assistance**  
24 **to, rural jurisdictions by means that include, but are not limited to:**

25       **“(a) Outreach to the rural jurisdictions about grants and other**  
26 **forms of funding;**

27       **“(b) Employment of grant writers or grant administrators to di-**  
28 **rectly assist the rural jurisdictions in applying for grants and other**  
29 **forms of funding;**

30       **“(c) Direct assistance in administering grants awarded to the rural**

1 jurisdictions; and

2 “(d) Working with state agencies to coordinate investments in wa-  
3 ter and sewer systems, roads and other elements of basic  
4 infrastructure needed in cities in rural areas.

5 **“SECTION 3. (1) The Oregon Rural Capacity Advisory Board is es-  
6 tablished and consists of nine members appointed as follows:**

7 **“(a) The Director of the Oregon Business Development Department  
8 shall appoint:**

9 **“(A) One member representing the League of Oregon Cities from  
10 among individuals recommended by the league;**

11 **“(B) One member representing the Association of Oregon Counties  
12 from among individuals recommended by the association;**

13 **“(C) One member representing the Oregon School Boards Associ-  
14 ation from among individuals recommended by the association;**

15 **“(D) One member representing the Special Districts Association of  
16 Oregon from among individuals recommended by the association; and**

17 **“(E) One member representing a philanthropic foundation with a  
18 focus that includes rural Oregon.**

19 **“(b) The President of the Senate shall appoint two nonvoting  
20 members as follows:**

21 **“(A) One member from the Senate who is a member of the majority  
22 party; and**

23 **“(B) One member from the Senate who is a member of the minority  
24 party.**

25 **“(c) The Speaker of the House of Representatives shall appoint two  
26 nonvoting members as follows:**

27 **“(A) One member from the House of Representatives who is a  
28 member of the majority party; and**

29 **“(B) One member from the House of Representatives who is a  
30 member of the minority party.**

1       **“(2) The term of office of each member is two years.**

2       **“(3) The advisory board shall meet at least quarterly at a time and**  
3 **place determined by the advisory board. The advisory board may also**  
4 **meet at other times and places at the call of the presiding officer or**  
5 **of a majority of the voting members of the advisory board.**

6       **“(4) Five members of the advisory board constitute a quorum for**  
7 **the transaction of business.**

8       **“(5) A majority of the voting members of the advisory board must**  
9 **approve official action to be taken by the advisory board.**

10       **“(6) The voting members shall select one of the advisory board’s**  
11 **voting members as chairperson and another voting member as vice**  
12 **chairperson, for such terms and with such duties and powers as the**  
13 **advisory board adopts.**

14       **“(7) In case of a vacancy among the members for any cause, the**  
15 **authority that appointed the former member shall appoint an individ-**  
16 **ual to fill the position for the unexpired portion of the member’s term.**

17       **“(8) A vacancy among the voting members of the advisory board**  
18 **does not impair the right of the remaining voting members to exercise**  
19 **all the powers of the advisory board. If the remaining voting members**  
20 **are unable to reach a decision by majority vote, the Director of the**  
21 **Oregon Business Development Department shall have the right to vote**  
22 **as a member of the advisory board in order to resolve the question.**

23       **“SECTION 4. The Oregon Rural Capacity Advisory Board shall:**

24       **“(1) Develop the policy guiding the implementation of sections 1 to**  
25 **7 of this 2019 Act.**

26       **“(2) Communicate the policy of the advisory board and the purposes**  
27 **set forth in section 2 of this 2019 Act to underserved rural jurisdic-**  
28 **tions.**

29       **“(3) Determine the amount of moneys available for distribution to**  
30 **Oregon’s Economic Development Districts under this section.**

1       “(4) Consult and coordinate with the district association on the  
2 distribution of moneys under this section. When consulting with the  
3 district association on the use of moneys for the purposes set forth in  
4 section 2 of this 2019 Act, the advisory board and the district associ-  
5 ation shall take into consideration:

6       “(a) Which rural jurisdictions are most in need of the assistance  
7 provided under sections 1 to 7 of this 2019 Act; and

8       “(b) The geographical balance of the distributions and assistance.

9       “(5) Work with the district association to determine the number  
10 and location of the grant writers and rural capacity builders to be  
11 hired with the moneys distributed under this section.

12       “(6)(a) Notify the Oregon Business Development Department of the  
13 distributions to be made as determined under this section.

14       “(b) As soon as practicable after receipt of the notice required un-  
15 der paragraph (a) of this subsection, the department shall make the  
16 distributions from moneys in the Oregon Rural Capacity Fund estab-  
17 lished under section 7 of this 2019 Act.

18       “(7) Oversee the rural grant services provided under sections 1 to 7  
19 of this 2019 Act.

20       “SECTION 5. (1) This section applies to a district member that re-  
21 ceives moneys pursuant to section 4 of this 2019 Act.

22       “(2)(a) The district member shall expend the moneys solely to pro-  
23 vide grant writing, grant administration, rural grant and rural capac-  
24 ity building services to rural jurisdictions for the purposes set forth  
25 in section 2 of this 2019 Act.

26       “(b) The moneys received by the district member, and the activities  
27 of the district member in expending the moneys, shall supplement and  
28 may not supplant the resources and activities of the district member.

29       “(c) The district member may not use moneys received pursuant to  
30 section 4 of this 2019 Act to apply for grants for purposes unrelated to

1 the purposes set forth in section 2 of this 2019 Act.

2 “(d) For purposes of a district member’s assistance to rural juris-  
3 dictions under this section, the Oregon Business Development De-  
4 partment may enter into an agreement with a regional solutions  
5 advisory committee appointed pursuant to ORS 284.754 for a region in  
6 which the district member is located in order to coordinate the activ-  
7 ities of the district member, including the use of the moneys distrib-  
8 uted to the district member, and the regional solutions team for the  
9 region.

10 “(e) The district member shall manage, document and submit  
11 quarterly reports to the advisory board about the assistance the dis-  
12 trict member provides to rural jurisdictions under this section.

13 “(3)(a) The district member may hire an individual under this sec-  
14 tion as an employee or an independent contractor.

15 “(b) The district member may assign individuals hired under this  
16 section to provide the services described in subsection (2)(a) of this  
17 section to more than one rural jurisdiction.

18 **“SECTION 6. (1) Not later than September 15 of each year, the**  
19 **Oregon Rural Capacity Advisory Board shall provide a report, in the**  
20 **manner required under ORS 192.245, to the interim committees of the**  
21 **Legislative Assembly related to economic development, and to the**  
22 **Oregon Business Development Department, that describes in detail the**  
23 **activities that Oregon’s Economic Development Districts engaged in**  
24 **for the previous 12-month period under sections 1 to 7 of this 2019 Act**  
25 **and the results of those activities.**

26 “(2) At a minimum, the report required under this section shall  
27 identify:

28 “(a) The rural jurisdictions that requested assistance funded by the  
29 district association;

30 “(b) The rural jurisdictions that received such assistance;

1       “(c) The populations served by the rural jurisdictions that requested  
2 assistance funded by the district association;

3       “(d) The populations served by the rural jurisdictions that received  
4 such assistance;

5       “(e) The number of funding opportunities, and the dollar amount  
6 of private and public funds, separately stated, that the rural jurisdic-  
7 tions applied for with assistance funded by the district association;

8       “(f) The number of funding opportunities from which the rural ju-  
9 risdictions received funding with such assistance, and the dollar  
10 amount of private and public funding so received, separately stated;

11       “(g) The multiplier effects of grants and other forms of funding  
12 received by the rural jurisdictions with assistance funded by the dis-  
13 trict association;

14       “(h) The expected effect of grants and other forms of funding re-  
15 ceived by the rural jurisdictions with assistance funded by the district  
16 association on the timing of the commencement and completion of  
17 projects; and

18       “(i) Any other information the advisory board considers important  
19 to include in the report.

20       “SECTION 7. (1) The Oregon Rural Capacity Fund is established in  
21 the State Treasury, separate and distinct from the General Fund. In-  
22 terest earned by the Oregon Rural Capacity Fund shall be credited to  
23 the fund.

24       “(2) Moneys in the fund consist of:

25       “(a) Amounts appropriated or otherwise transferred or credited to  
26 the fund by the Legislative Assembly;

27       “(b) Moneys from the federal government, state agencies or local  
28 governments transferred or otherwise credited to the fund;

29       “(c) Amounts donated or otherwise given to the fund;

30       “(d) Earnings received on moneys in the fund; and



1       “(e) Other amounts from any source transferred or otherwise cred-  
2 ited to the fund.

3       “(3) Moneys in the fund are continuously appropriated to the  
4 Oregon Business Development Department for the purposes set forth  
5 in section 2 of this 2019 Act.

6       “(4)(a) The department may retain an amount equal to five percent  
7 of moneys appropriated or otherwise transferred or credited to the  
8 fund to pay the for the administrative and operational expenses of  
9 department under sections 1 to 7 of this 2019 Act.

10       “(b) The department shall distribute the balance of the moneys in  
11 accordance with section 4 of this 2019 Act.

12       “SECTION 8. There is appropriated to the Oregon Business Devel-  
13 opment Department, for the biennium beginning July 1, 2019, out of  
14 the General Fund, the amount of \$918,750, to be expended in accord-  
15 ance with sections 1 to 7 of this 2019 Act.

16       “SECTION 9. (1) Sections 1 to 7 of this 2019 Act become operative  
17 on January 1, 2020.

18       “(2)(a) As used in this subsection, ‘person’ means each of:

19       “(A) The Oregon Business Development Department;

20       “(B) The appointing authorities listed in section 3 of this 2019 Act;

21       “(C) The Oregon Rural Capacity Advisory Board; and

22       “(D) Oregon’s Economic Development Districts.

23       “(b) Notwithstanding the date specified in subsection (1) of this  
24 section, a person may take any action before the date specified in  
25 subsection (1) of this section that is necessary for the person to exer-  
26 cise, on and after the date specified in subsection (1) of this section,  
27 all of the duties, functions and powers respectively conferred on the  
28 person by sections 1 to 7 of this 2019 Act.

29       “SECTION 10. This 2019 Act being necessary for the immediate  
30 preservation of the public peace, health and safety, an emergency is

1 **declared to exist, and this 2019 Act takes effect on its passage.”.**

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