



February 5, 2020

House Committee on Economic Development
900 Court Street NE
Salem, Oregon 97301

Re: Support for HB 4157 - Outdoor Products Manufacturing Funds

Dear Members of the House Committee on Economic Development:

On behalf of Oregon Outdoors, I write today to share our strong support for HB 4157.

Oregon Outdoors (www.oregonoutdoors.org) is a recently-established and rapidly growing coalition of more than thirty outdoor recreation businesses, recreation organizations, and conservation groups committed to preserving Oregon's outdoor assets for future generations. Our coalition's legislative priorities align very closely with those of Oregon's outdoor industry. These priorities include, but are not limited to: outdoor recreation access, recreation infrastructure, economic vitality, and support for responsible recreation.

HB 4157 represents a unique opportunity to grow an important component of Oregon's economy by providing funding for matching grants for outdoor recreation industry business accelerators and non-profit membership organizations. These grants will focus on assistance to emerging outdoor recreation businesses in our State under the mentorship of experienced professionals. Outdoor Industry businesses often do not fit the profile for investments from venture capitalists and Angel investors, and therefore do not have the same opportunities to grow in their initial stages as some of the other innovative industries in that state do.

Nearly identical legislation (HB 3251) was introduced during the 2019 legislative session. HB 3251 received unanimous support and a do-pass from this committee but did not advance out of Ways and Means. There are only a few minor changes from the 2019 bill.

- 1) We're asking for \$250k in matching funds for the remainder of the biennium instead of \$500k for the full biennium, as we did in 2019.
- 2) The language tightens qualification requirements from HB 3251A so that outdoor industry "business accelerators" must now be certified under Business Oregon's Entrepreneurial Development Loan Fund: <https://www.oregon4biz.com/How-We-Can-Help/Finance-Programs/EDLF/>. This is in response to feedback from several legislators who wanted to see additional vetting for organizations that would otherwise qualify under the bill.

- 3) The legislation also refocuses "allowed uses" away from capacity and towards specific production-oriented outcomes.
- 4) HB 4157 has significantly increased and broadened in sponsorship. HB 3251A had 12 sponsors. HB 4157 has 27 with additional sponsors likely. As before, the sponsorship is bicameral, bipartisan, and includes legislators from across the state.

Oregon has been a national leader in developing resources, mentorship, and training programs for outdoor gear manufacturing sector, and it's the private sector that has taken the initiative in doing this. These efforts have gained recognition and spawned similar efforts in other states around the country. Now, in some states, legislatures are investing directly in those efforts - thus causing increased competitiveness amongst states. Based on a recent economic evaluation, we calculate (conservatively) that if Oregon were to put \$250,000 per year into this program that the state would see a full return on investment within three years - and increasing net profits beyond that.

I urge you to support HB 4157, and thank you for your time and the opportunity to submit testimony.

Best Regards,



Oregon Outdoors Coalition Members

