



HB 2270 - Oregon Port Revolving Fund Modernization

House Bill 2270 is an agency concept to modernize the statute authorizing the Oregon Port Revolving Fund (OPRF) and ensure the program requirements are consistent with the program requirements in place for other Business Oregon infrastructure funding programs.

The OPRF is a loan program housed within Business Oregon. Ports authorized under ORS 777 and ORS 778 are eligible to seek funding for the planning and construction of infrastructure and facilities. Eligible expenses include pre-project planning, engineering, acquisition, improvement, rehabilitation, construction, operation, or maintenance.

Changes proposed by HB 2270 include:

- Eliminate the \$100 application fee. No other Business Oregon infrastructure financing program requires a similar fee and costs to administer the fee outweigh any benefit.
- Remove the \$3 million cap that the borrower can owe to the OPRF. The current cap is inadequate to meet current needs for port infrastructure and facility projects. Several ports that have recently secured loans through the OPRF have had to seek additional funding through other agency programs such as Business Oregon's Special Public Works Fund (SPWF) due to the cap.
- Simplify language relating to the agency's authority to set interest rates. This change will bring the OPRF into line with current agency practice for establishing interest rates on other agency programs, notably SPWF, and provide the agency important flexibility to establish rates in accordance with market variabilities.
- Extend the maximum loan term from 25 to 30 years. The 30-year timeframe is consistent with other agency funding programs but shall not exceed the useful life of the contracted project.

Recent projects funded by the OPRF:

- The Oregon International Port of Coos Bay was awarded an OPRF loan of \$2.4 million and a SPWF loan of \$3.6 million to replace their ice plant after it was destroyed by a fire in December 2019. The ice plant provides critical service to the commercial fishing fleet.
- The Port of Newport was awarded a loan of \$950,000 in 2021 to help fund the construction of a new administration building after the prior building was demolished due to safety issues.
- The Port of Bandon was awarded a loan of \$750,000 to finance the rebuilding of their marina. The existing dock and pile infrastructure is well past its design life and has become unstable and at times unsafe.

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