To: Senator Aaron Woods, Co-Chair, Representative David Gomberg, Co-Chair, and Committee Members of the Joint Subcommittee On Transportation and Economic Development

From: Lindsay Tenes and Michael Martin, League of Oregon Cities

Date: March 24, 2023

RE: Support for Business Oregon Budget

The League of Oregon Cities (LOC) supports SB 5524, the vehicle for the Business Oregon budget allocation. LOC is an intergovernmental association which represents all of Oregon's 241 cities across the state.

Business Oregon is an instrumental partner to cities in economic development, infrastructure financing, broadband and more. Here are some of the key programs:

- Oregon Enterprise Zone Program
- Strategic Investment Program (SIP)
- Regionally Significant Industrial Sites (RSIS)
- Special Public Works Fund (SPWF)
- Oregon Broadband Office

The LOC strongly supports making key investments with the state's lottery dollars and any general fund dollars available for necessary water infrastructure to address existing, critical needs.

A recent LOC report identified a statewide estimate of $23 billion in water infrastructure needs over the next 20 years.

Programs like the Special Public Works Fund are great example of where Business Oregon helps communities with the planning, design, and construction of utilities in both water and wastewater projects (POP 102).

The extent to which the state recapitalizes this program will determine the extent to which Business Oregon can offer more attractive and flexible loan terms, including potential loan forgiveness. These funds can be used for necessary water planning, including engineering and design work.

The League of Oregon Cities supports investment in our communities beyond the Governor's Request budget to meet critical infrastructure needs around the state. Specifically, we are requesting a total of $125 million to recapitalize the Special Public Works Fund (SPWF), with an additional $50 million for critical public works and regional infrastructure needs ($50 million over GRB).

Business Oregon is a great partner in helping cities across the state and the Special Public Works Fund (SPWF) is effective way to help communities across the state meet their infrastructure needs with an already existing program.

Thank you,

Lindsay Tenes

Michael Martin