



# Oregon

Tina Kotek, Governor

## Parks and Recreation Department

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Co-Chairs Girod and Holvey, Members of the Committee:

Thank you for the opportunity to provide testimony on HB 5030.

HB 5030 includes \$20,000,000 in lottery bonds for the Oregon Main Street Revitalization Grant program. The grant program was established in 2015 by the Oregon Legislature. The legislature has since funded the program through the lottery bond packages in the following years:

- 2015 (for 2017 awards) - \$2.5 million
- 2017 (for 2019 awards) - \$5 million
- 2019 (for 2021 awards) - \$5 million, the bond sale was canceled due to impacts of COVID
- 2021 (for 2022 & 2023 awards) - \$10 million

The grant program is coordinated through the State Historic Preservation Office and Oregon Main Street Network part of Oregon Parks and Recreation Department (OPRD). The proposed funding is included in the OPRD, Governor recommended budget.

The Oregon Main Street Revitalization Grant program supports downtown revitalization efforts in communities participating in the Oregon Main Street Network.

The purpose of the program is to:

- Acquire, rehabilitate, and construct buildings on properties in designated downtown areas statewide; and
- Facilitate community revitalization that will lead to private investment, job creation or retention, establishing or expanding viable businesses, or creating a stronger tax base.

Benefits to communities:

- Over 100 communities have participating Main Street organizations that are eligible for the grant.
- At least 50 percent of the funds go to rural communities with population under 30,000 and outside of the Portland METRO Urban Growth Boundary.
- Over the 2015-2022 Grant cycles 85 grants have been awarded throughout the state with many grants serving multiple properties.
- Completed project impacts as of May 2022
  - 42 buildings improved
  - 41 housing units added
  - 12 lodging units added
  - 7 documented inspired other improvements

- 3 properties purchased
- 5 vacant buildings filled
- 1 ADA improvement
- 1 new construction
- 4 structural re-enforcement projects

In the last year, two studies have examined the Oregon Main Street program effectiveness and made recommendations for continuation of the program and targeting grant resources.

### [Impact of Oregon's Main Streets Report](#)

Oregon Main Street has been operating as the statewide Main Street coordinating organization for over 10 years. This study was completed to evaluate the results of the program and develop recommendations to enhance it as it continues.

Three key impacts include:

- Oregon Main Street strengthens community connection and culture. The network recognizes each community's history, works to preserve local character, and creates inviting gathering places for social interaction. This is further supported by the Oregon Main Street Revitalization grant funded by the legislature through lottery bond funds.
- Oregon Main Street bolsters the economy. Between 2011 and 2021, the Oregon Main Street network helped generate \$266 million in additional sales revenue throughout the state. As a result of this increased spending, 2,400 jobs were supported in or by Main Street businesses.
- Oregon Main Street helps generate tax revenue. Between 2011 and 2021, the State of Oregon invested \$1.8 million in Oregon Main Street administration and generated \$3.5 million in additional state tax revenues as a result of the on-the-ground work of Oregon's Main Streets.

Recommendations for the future include

- Continue to fund the Oregon Main Street Revitalization Grant.
- Develop operational grants for the top two tiers of participating organizations.
- Continue and enhance partnerships.
- Develop state-level resiliency.

### [What's Up Downtown: A Playbook for Activating Oregon's Upper Stories](#)

The project was undertaken by Oregon Heritage, Oregon Parks and Recreation Department in partnership with the University of Oregon Institute for Policy Research and Engagement to address a clear trend of vacancies in the upper floors of historic and downtown buildings. These could be used to address local needs like housing, offices and community spaces. The objective was to determine the extent of available building spaces and to explore how to increase their use.

Key findings include:

- Upper story vacancy is common: nearly 50% of upper floors in their main street areas are unused and 19% are usable, but unoccupied.

- The most common problems with redeveloping upper floors were cost and the perceived complexity of code compliance.

Recommendations to activate upper floors include:

- Track conditions of upper stories over time.
- Develop a strategy for upper floor development.
- Improve property owner's access to funding.
- Maintain existing and create additional financial supports at the state and local level.
- Evaluate current building code and support responsible and flexible applications of the code.
- Encourage collaboration at the local level and between state and local actors.

If lottery funding is available to continue the Oregon Main Street Revitalization Grant program, Oregon Heritage looks forward to working with Oregon Main Street communities to implement recommendations from both reports described above to continue the strong economic development partnerships and enhance opportunities within downtowns across Oregon.

The grant continues to be in demand across the state. If funded in the full amount of \$20 million, OPRD will be able to both award more grants and increase the amount of funding available per project. The increased award amount will help in addressing costly enhancements including elevators for upper floor access and seismic upgrades, as well as close the gap due to increased cost of materials.