

## MEMORANDUM

To: Members of the Transportation and Economic Development Subcommittee  
From: Michelle Deister  
Date: 3/26/2025  
Subject: OBDD Follow Up information.

In response to questions asked at its March 23, 2025 hearing, the Oregon Business Development Department (OBDD) submitted the following information:

Senator Starr asked for information regarding the ratio and amounts of grants versus loans from the Special Public Works Fund:

Special Public Works Fund (SPWF) Grants Vs Loans: Of the projects under contract with remaining to draw there are 24 Grants for \$3.9M (1.1%) vs 35 loans for \$133M (98.9%). Note these awards date back as far as 2019. The programs target is less than 1% of the value of the fund per biennium. As of June 30, 2023 the ending Net Position of SPWF was \$339,455,000.

Per [ORS 285B.440](#) **(2)** The Oregon Business Development Department shall by rule adopt standards for awarding grants from the Special Public Works Fund. The standards may include the award of grants as a financial incentive to accomplish the goals of the Special Public Works Fund, to address special circumstances of a project or to address the financial need of the applicant. **(3)** The authority may make grants to a municipality not to exceed \$1 million per project or 85 percent of the allowable project costs, whichever is less. For purposes of this subsection, allowable project costs do not include capitalized interest, if any. **(4)** The authority may not expend more than one percent of the value of the Special Public Works Fund in any biennium for grants or direct assistance, if any, for planning projects and community development projects to municipalities.

**285B.458 Grants for assistance to distressed or rural areas; minimum.** Not less than 60 percent of the grants awarded from the Special Public Works Fund in any biennium shall be used to provide assistance to distressed or rural areas.

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**285B.462 Funding and assistance for emergency projects.** (1) The Oregon Infrastructure Finance Authority may provide financial or other assistance to a municipality for an emergency project. Emergency project grants include grants for essential community facilities, as defined by the Oregon Business Development Department by rule after consultation with the League of Oregon Cities, the Association of Oregon Counties, the Oregon Ports Representation Group and the Special Districts Association of Oregon.

(2) The authority may award grant funding to an emergency project only if federal disaster relief assistance has been committed for the emergency project.

(3) Assistance from the Special Public Works Fund for an emergency project may not exceed the total local matching funds requirement for the federal disaster relief assistance committed to the project.

[OAR 123-042-0026](#) (2) Grants:

(a) If the Authority determines that a firm business commitment project meets the minimum criteria for a grant, the Authority may make a further determination on the amount of the grant. The maximum grant amount is \$500,000 per project or 85% of allowable project costs, whichever is less. In-kind materials and services cannot be included in allowable project costs.

[123-042-0055](#) (b) A grant for an emergency project cannot exceed \$500,000 per project, or the amount of the federally required local match, whichever is less;

Should you have additional questions, please contact Mark Gharst, the agency's Legislative Affairs direction.

Thank you.