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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 124
EASTERN OREGON BORDER ECONOMIC DEVELOPMENT BOARD

FILED
08/15/2019 7:20 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: These rules relate to the Eastern Oregon Border Economic Development Board, Region and Fund.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 09/23/2019 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

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NEED FOR THE RULE(S):

These rules are needed to implement and define the programming criteria of the Eastern Oregon Border Economic Development Fund, and to comply with statute.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 294.771 - 284.801 and HB 2012 from the 2017 legislative session.

FISCAL AND ECONOMIC IMPACT:

There is no mandatory requirements for the public from the Board. Applications for funding is voluntary. There is no fiscal impact on the public.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

There is no cost of compliance as a result of these rules. Small businesses are not directly affected and there are no record keeping requirements.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Board themselves are comprised of small business owners and the promulgation of these rules were discussed in public meetings.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

There is no fiscal impact as a result of these rules.

RULES PROPOSED:

124-001-0010, 124-001-0020, 124-005-0010, 124-010-0010, 124-010-0020, 124-010-0030, 124-010-0040, 124-010-0050

ADOPT: 124-001-0010

RULE SUMMARY: This new rule explains the purpose of Chapter 124 for the Eastern Oregon Economic Border Board Development Region and Fund.

CHANGES TO RULE:

124-001-0010

Purpose

The Eastern Oregon Economic Development Region, Board and Fund were established by the Oregon Legislature in 2017 through HB 2012. The purpose of this chapter of rules is to support, implement and define the programming criteria to ensure economic growth with the Region.

Statutory/Other Authority: ORS 284.771 - 284.801

Statutes/Other Implemented: ORS 284.771 - 284.801

ADOPT: 124-001-0020

RULE SUMMARY: This new rule describes the what Eastern Oregon Border Economic Development Region consists of in area.

CHANGES TO RULE:

124-001-0020

Eastern Oregon Border Economic Development Region

(1) The Eastern Oregon Border Economic Development Region (Region) is established to promote workforce development, create or retain jobs, expand business and promote economic development with Oregon communities bordering Idaho.

(2) The Region consists of the follow areas:

(a) Within 20 miles of the Oregon border with the State of Idaho, including but not limited to:

(A) Ontario, Vale and Nyssa

(b) An area in Oregon that is across the Oregon border from Weiser, Idaho;

(c) Is an area southwest of Vale for a distance of 10 miles; and

(d) Includes Willow Creek and Brogan.

Statutory/Other Authority: ORS 284.771 - 284.801

Statutes/Other Implemented: ORS 284.771 - 284.801

ADOPT: 124-005-0010

RULE SUMMARY: This new rule defines common terms found throughout Chapter 124.

CHANGES TO RULE:

124-005-0010

Definitions

(1) "Board" means the Eastern Oregon Border Economic Development Board. ¶

(2) "Department" means the Oregon Business Development Department. ¶

(3) "Economic development" means development that: ¶

(a) Relates to and supports: ¶

(A) The economic health or recovery of the region; ¶

(B) Business enterprise and activities in the region; or ¶

(C) Development or certification of regionally significant industrial sites in the region; ¶

(b) Creates jobs or prevents the loss of jobs in the region; or ¶

(c) Promotes or expands businesses or prevents the decline of businesses located or to be located in the region. ¶

(5) "Fund" means the Eastern Oregon Border Economic Development Board Fund as defined in ORS 284.801. ¶

(6) "Local Government" has the meaning given that term in ORS 174.116. ¶

(7) "Region" means the Eastern Oregon Economic Border Region. ¶

(8) "Regionally significant industrial site" has the meaning given that term in ORS 285B626. ¶

(9) "Traded Sector" has the meaning given in ORS 285A.010. ¶

(10) "Workforce development" means activities or services that assist individual to attain employment, progress along career pathways or establish and maintain businesses and that promote economic development by making skilled employees more readily available. "Workforce development" includes: ¶

(a) Education, training and apprenticeships; ¶

(b) Labor market analysis; ¶

(c) Employment and reemployment assistance; ¶

(d) Employee recruitment and retention; ¶

(e) Workforce programs that have a primary mission of helping individuals become employed, retain employment, increase wages, progress along career pathways or establish and maintain businesses; ¶

(f) Convening, coordinating, oversight and evaluation activities and services for business and state workforce agencies; and ¶

(g) Development and improvement of residential housing to attract and keep employees in the region.

Statutory/Other Authority: ORS 284.771 - 284.801

Statutes/Other Implemented: ORS 284.771 - 284.801

ADOPT: 124-010-0010

RULE SUMMARY: This new rule describes what and who and eligible applicant of the Easter Oregon Border Economic Development Board Fund includes.

CHANGES TO RULE:

124-010-0010

Eligible Applicant

An "Eligible Applicant" includes:

(1) Local governments;

(2) Institutions of higher education defined in ORS 348.582;

(3) Private or nonprofit businesses whose principal place of business or the majority of whose workforce is located in the Region;

(4) Small business development centers established in ORS 265B.165 to 285B.171;

(5) Economic development organizations;

(6) School districts; and

(7) Private persons and public, private, and non-profit entities promoting housing, workforce, or economic development within the Region.

Statutory/Other Authority: ORS 284.771 - 284.801

Statutes/Other Implemented: ORS 284.771 - 284.801

ADOPT: 124-010-0020

RULE SUMMARY: This new rule describes what kind of projects may be eligible for the Eastern Oregon Border Economic Development Board Fund.

CHANGES TO RULE:

124-010-0020

Project Eligibility

The Fund may be used to finance projects that will be used for:

(1) Economic development within the Region in that leads to private investment in order to create and retain jobs, and establish or expand businesses;

(2) Expansion of transportation infrastructure to ensure traded sector goods and services can move in and out of the Region.

(3) Expansion or enhancement of workforce development in the region, including development and improvement of residential housing necessary to attract and keep employees in the region that is responsive to the Region's businesses and industries.

(4) Certification of regionally significant industrial sites within the Region.

(5) Due diligence assessment, or other assessment and evaluations that prepare a site for development under the Oregon Industrial Site Readiness Program ORS 285B.635 to 285B.640.

(6) Extension of private utilities, including but not limited to gas and electrical connections, to regionally significant industrial sites within the Region.

(7) Provision of support services and technical assistance to entrepreneurs and business owners in the Region, including but not limited to small business development centers established under ORS 285B.165 to 285B.171.

Statutory/Other Authority: ORS 284.771 - 284.801

Statutes/Other Implemented: ORS 284.771 - 284.801

ADOPT: 124-010-0030

RULE SUMMARY: This new rule describes the types of expenditures that are ineligible for funding through the Eastern Oregon Economic Border Economic Development Board Fund.

CHANGES TO RULE:

124-010-0030

Ineligible Expenditures

The Fund may not be used to assist:

(1) The retirement or service of debt for any public or private entity; and

(2) Expenses incurred prior to the date of award by the Board unless otherwise approved by the Board.

Statutory/Other Authority: ORS 284.771 - 284.801

Statutes/Other Implemented: ORS 284.771 - 284.801

ADOPT: 124-010-0040

RULE SUMMARY: This rule describes the application process and Board review process for potential funding through the Eastern Oregon Border Economic Development Board Fund.

CHANGES TO RULE:

124-010-0040

Application and Board Review

(1) Applications may be made to the Board for loan or grant funding for eligible projects at a time and place designated by the Board after consultation with the Department. Applications for a loan must include:

(a) A plan for repayment of moneys borrowed plus interest;

(b) Evidence of debt assurance of, or security for, repayment for the applicant; and

(c) Such other information as may be requested of the applicant to evaluate creditworthiness according to industry standards.

(2) The Board will publicly advertise all specific funding opportunities. The advertisement will detail all necessary information needed to submit an application including:

(a) Subject matter and purpose for each opportunity;

(b) Type of entity eligible to apply;

(c) Types of application materials required;

(d) Forms to be used; and

(f) Due dates

(3) The Board may establish review panels to prioritize all proposals received and make funding recommendations to the Board. The full Board will determine all awards after review of the Department's evaluation, public comment, review committee input, and any other input the Board deems necessary to make an informed decision.

Statutory/Other Authority: ORS 284.771 - 284.801

Statutes/Other Implemented: ORS 284.771 - 284.801

ADOPT: 124-010-0050

RULE SUMMARY: This new rule describes the Boards evaluation process when determining loan and grant awards for the Eastern Oregon Border Economic Development Board Fund.

CHANGES TO RULE:

124-010-0050

Project Funding

(1) The Board may provide financing for an eligible applicant's project within the Region in the form of a grant or loan. ¶

(2) The Board may not have any more than 10 open grant awards at any one time. ¶

(3) The Board shall consider the following evaluation materials provided by the Department when determining the award of a grant or loan. Evaluative materials provided by the Department shall include at a minimum: ¶

(a) An evaluation of proposed timelines for completion of a project for which Fund monies will be used; ¶

(b) An evaluation or whether necessary development permits have been or can be obtained; ¶

(c) A recommendation how to maximize Fund monies to ensure successful completion of a project; ¶

(d) An assessment of an applicant's ability to repay a loan; ¶

(e) A review of the strengths, weaknesses and risks associated with an applicant or project; and ¶

(f) Recommendations regarding terms and conditions for an approval of a grant or loan. ¶

(4) The Board may utilize the following considerations when determining whether to award a loan or grant: ¶

(a) Whether a project is ready for implementation; ¶

(b) An Applicant's commitment of funding contributions for a project from other public, private, or non-profit source; ¶

(c) A project's ability to support the retention or creation of jobs in the region; ¶

(d) The anticipated increase in local tax revenue as a result of the project; ¶

(e) A project's expected useful life; ¶

(f) The anticipated number of businesses or residents served; ¶

(g) A project's ability to not rely on future public subsidies for ongoing operations or maintenance; ¶

(h) Performance metrics provided by an Eligible Applicant; and ¶

(i) Any other considerations the Board determines necessary to make an informed decision regarding utilization of monies from the Fund.

Statutory/Other Authority: ORS 284.771 - 284.801

Statutes/Other Implemented: ORS 284.771 - 284.801