

Agenda Item Number 10.B.

Oregon Business Development Fund (OBDF) Advocacy with Legislature

Presenter: Steve Dignam

Action Recommended: Adopt Recommendation

Background:

LCOG has helped many businesses within Lane County to utilize a business loan program sponsored by the State of Oregon called the Oregon Business Development Fund. This loan program provides gap financing at attractive fixed rates of interest, currently from 4.0 to 6.5 percent.

The State of Oregon has funded/committed 16 loans totaling \$3.6 million under this loan program in Lane County. These loans have helped to create or save a total of 144 jobs.

Unfortunately, LCOG will soon no longer be able market this outstanding loan program to Lane County businesses. The State of Oregon has established a limit of 20% on the usage of the Oregon Business Development Fund by any one county. Lane County has nearly used up its full 20 percent allotment.

Broad statewide dispersion of the funds available under this loan program is certainly a worthy goal. However, if Lane County has an eligible project and the State has funds available, a strong argument can and should be made to approve and fund that Lane County project. Projects funded by the Oregon Business Development Fund can have a major impact on job creation and retention.

It is suggested that LCOG provide input to the State Legislature to consider a revision to this statute.

Recommendation:

Authorize the staff to pursue a proposed amendment to the statute in concert with the members of the Lane County Legislature delegation which would allow continued use of this business financing tool in Lane County.