

KPM #5	INFRASTRUCTURE CONSTRUCTION Number of community capital projects assisted for construction (infrastructure & community development)	Measure since: 2004
Goal	ASSIST COMMUNITIES TO BUILD CAPACITY TO ATTRACT, RETAIN, AND EXPAND BUSINESSES.	
Oregon Context	Oregon Benchmarks: 1 – EMPLOYMENT IN RURAL OREGON; 69 – DRINKING WATER.	
Data source	Each infrastructure project at the start is categorized, recorded in the database, and reported on at year end.	
Owner	Community Development Division, Ann Hanus (503) 986-0135	

1. OUR STRATEGY

Assist Communities to build capacity to attract, retain and expand businesses; Provide public infrastructure on a timely basis. Examples of partners in these infrastructure projects are: cities, counties, ports, Tribal Councils of Indian Tribes, and special districts.

2. ABOUT THE TARGETS

The targets address the agency’s progress in providing public infrastructure (water, sewer, roads, telecommunication, etc.) that supports economic growth and healthy communities.

3. HOW WE ARE DOING

Due to increased demand for municipal infrastructure, OECD exceeded its targets the previous three years. However, this year was slower through October largely in response to concerns regarding Measure 48 and uncertainty regarding recapitalization of the Special Public Works Fund (SPWF) and the Water/Wastewater Fund.

4. HOW WE COMPARE

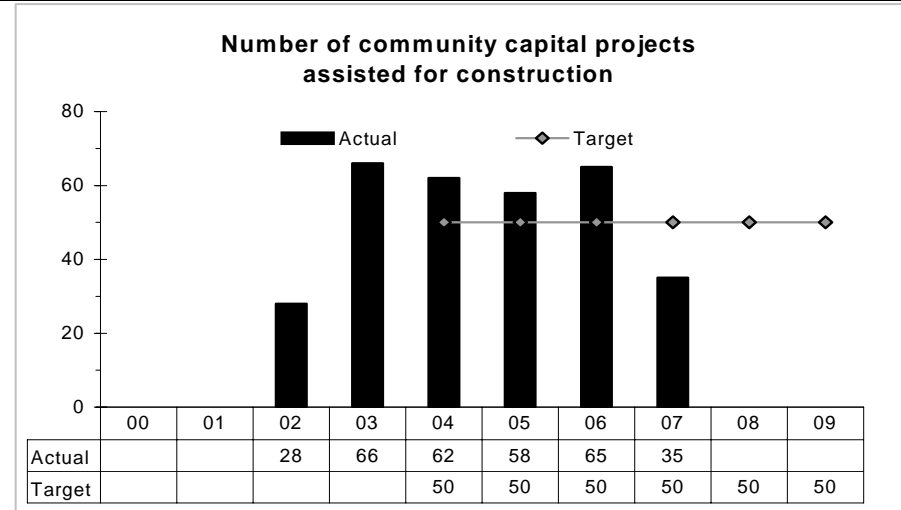
None identified.

5. FACTORS AFFECTING RESULTS

Demand in municipal infrastructure remains high. During the 2006-2007 fiscal year OECD invested \$68 million in construction projects, which mostly will fund the construction/improvement of water systems, sewer systems, and infrastructure for certified industrial sites and essential community facilities. Additional key factors are that the size/scope of projects is increasing, and the cost of materials for construction is increasing (Turner Construction Cost Index in 2006 was over 10%). Delaying work on dated infrastructure will also increase costs.

6. WHAT NEEDS TO BE DONE

Targets for 2007-09 will need to be reduced. In order to align award levels with long-term sustainable levels, the legislature recapitalized the SPWF at \$21.4 million, which was substantially lower than the Governor’s Recommended Budget. The budget note also called for development of priority criteria for awards and OECD Commission approval of the criteria used for the awards. OECD will also integrate data with this measure to track varying sizes of projects and costs. A recently commissioned study assessed return on investment, estimating that each \$1M of OECD public infrastructure funds leverages over \$1.3M in other funds. On average, \$1 million of OECD funds generates 64 construction jobs and 150 permanent jobs over a six-year period. New



AGENCY NAME: Oregon Economic & Community Development Department (OECD)

II. KEY MEASURE ANALYSIS

Agency Mission: Sustainable Quality Jobs for All Oregonians at Least Cost

income tax revenue to the state as a result of these jobs, with an average wage in 1997 of \$26,500, results in repaying the state investment in less than five years.

7. ABOUT THE DATA

Data is for the Oregon fiscal year. Projects are entered into the database upon funding commitment. Coordinators conduct final monitoring when projects are complete and note so in the database. Projects with job creation or retention will be verified through independent Employment Department reports.