

Oregon Department of Transportation

Immediate Opportunity Fund Policy Guidelines

Revised and Approved by the OTC on March 19, 2015

1. Purpose of the Immediate Opportunity Fund

The purpose of the "Immediate Opportunity Fund" (IOF) is to support primary economic development in Oregon through the construction and improvement of streets and roads. The 1987 Oregon Legislature created state funding for immediate economic opportunities with certain motor vehicle gas-tax increases.

Access to this fund is discretionary and the fund may only be used when other sources of financial support are unavailable or insufficient. The IOF is not a replacement or substitute for other funding sources.

The IOF is designed to meet the following objectives:

- A. Provide needed street or road improvements to influence the location, relocation or retention of a firm in Oregon.
- B. Provide procedures and funds for the Oregon Transportation Commission (OTC) to respond quickly to economic development opportunities.
- C. Provide criteria and procedures for Business Oregon, other agencies, local governments and the private sector to work with the Oregon Department of Transportation (ODOT) in providing road improvements needed to ensure specific job development opportunities for Oregon or to revitalize business or industrial centers.

2. Use of IOF and Funding Levels

The IOF will be financed at a level of \$7 million per biennium, with the following limits for each project type:

Project Type	Use	Limit per Biennium	Limit per Project
Type A	Specific economic development projects that affirm job retention and job creation opportunities	\$7,000,000	\$1,000,000
Type B	Revitalization of business or industrial centers to support economic development	\$1,000,000	\$250,000
Type C	Preparation of Oregon Certified Project Ready Industrial Sites	\$1,500,000	\$500,000
Type D	Preparation of Regionally Significant Industrial Areas	\$3,000,000	\$1,000,000

3. Program criteria

All projects must meet the following requirements:

- A. The results of an economic impact analysis must be acceptable to the Business Oregon Director, who will provide recommendations to the ODOT Director.
- B. The project requires an immediate commitment of funds to address an existing transportation problem or to prevent a future transportation problem. The problem must be demonstrated and the proposed project must demonstrate how it solves the problem.
- C. The improvements must be on a public right-of-way with the local government agency that will assume ownership identified (right-of-way must be acquired before project completion). The local government agency, or the future owner, must also demonstrate how it has adequate ability to fully maintain the improvements. Note: Unless a project is part of a jurisdictional transfer, the state will maintain sections of projects on state highways.
- D. The improvements must serve general transportation needs and must conform to access management policies.
- E. No more than 50% of the cost of the transportation improvement project will be covered by Immediate Opportunity Funds.

Public or private sources may provide the match. Donations of right-of-way will be considered to be part of the match. Normally, applicants for projects off the State Highway System will provide the right-of-way. (ODOT's Right-of-Way Section will verify right-of-way value estimates.)

- F. The local government sponsor must demonstrate that all other funds necessary for successful completion of the project have been secured.
- G. The project and, if applicable, the development must meet all necessary land use and environmental requirements and must have or be able to obtain all necessary permits.
- H. Arrangements for other infrastructure needed for successful development, such as water, sewer, police, fire, etc. are documented.
- I. The project and, if applicable, the development must be consistent with regional priorities for community and economic development developed by the relevant regional solutions advisory committee.

4. Program criteria specific to project type

In addition to the criteria in Paragraph 3 above, proposed projects must meet the following requirements:

Type A Projects:

- A. A business's decision to locate, relocate or expand hinges on an immediate

commitment of road construction resources to construct the road improvement project.

- B. The direct benefits in terms of “primary” jobs created or retained by the development through the construction of a road improvement have been demonstrated. The jobs created by the development must be “primary” jobs, such as manufacturing, production, warehousing, distribution, or others that create new wealth for the Oregon economy and support development of at least one of the state of Oregon’s strategic key industries, which have been identified by the Oregon Business Development Commission as being key to the state’s economic vitality, growth and diversification. Normally, retail and service jobs do not meet this definition.

Type B Projects:

- A. Benefits in terms of development in a revitalized central business district or industrial center through the construction of a road improvement must be identified.

Type C Projects:

- A. The site to be served by the road and street improvements must be appropriate for development of at least one of the state of Oregon’s strategic key industries, which have been identified by the Oregon Business Development Commission as being key to the state’s economic vitality, growth and diversification.
- B. The direct benefits in terms of certification of an industrial site through the construction of a road improvement have been demonstrated.
- C. The road and street improvements must be completed in order for the industrial site to meet, or continue to meet, the certification standards under the State of Oregon’s Certified Industrial Site program.
- D. The road and street improvements must be the only remaining issue needing to be addressed before the industrial site meets, or is able to continue to meet, the certification standards under the State of Oregon’s Certified Industrial Site program.
- E. The industrial site proposed to be served by the road and street improvements must meet Business Oregon’s marketability criteria, adopted by Business Oregon in Policy #004-06 on November 7, 2006, as determined by its Business Development Officer, with the exception of “ease of access.” If the industrial site does not meet the marketability criterion for “ease of access,” the Business Development Officer must conclude that completion of the road and street improvements will result in the industrial site meeting the marketability criterion of “ease of access.” The marketability criteria are:
 - i. Utilities are currently in place
 - ii. Buildability; configuration; soil; terrain; current usage/conditions

- iii. Ease of access
 - iv. Attractiveness of site
 - v. Attractiveness/compatibility of neighborhood
 - vi. Local labor market conditions
 - vii. Site economics; pricing/incentives/property taxes/site preparation costs
 - viii. Site and community marketing/promotional materials
 - ix. The competitive real estate marketplace
- F. The owner of the industrial site must commit to obtaining certification of the site served by the road and street improvements under the State of Oregon's Certified Industrial Site program within three (3) months of completion of the road and street improvements.

Type D Projects:

The project must comprehensively address the transportation needs and issues of the Regionally Significant Industrial Area that has a current designation under and in accordance with ORS 197.722 to 197.728 ("RSIA"), or the project is a specifically defined phase (including phases for separate sites) in a comprehensive plan that fully addresses the transportation needs and issues of the RSIA; as defined by a transportation analysis (acceptable to ODOT) or documented conditions related to transportation. The project may include enhancements and safety improvements needed as a result of RSIA designation on nearby portions of the State Highway System.

5. Immediate Opportunity Fund request process

For projects to be eligible for Immediate Opportunity Funds, private businesses or their local government sponsors requesting assistance must involve Business Oregon and ODOT early in the process.

The OTC requires a rapid four-step procedure for project requests using the IOF. The steps to be undertaken in conjunction with Business Oregon are as follows:

- Business Oregon Business Development Officer receives request, evaluates for job impact and other economic merit as described above, provides the appropriate Regional Solutions Team an opportunity to review and comment on the proposed project, and forwards recommendation to ODOT Region IOF Coordinator.
- ODOT Region IOF Coordinator reviews project request for transportation eligibility and merit and, with Business Oregon, jointly recommends action to ODOT Region Manager for approval.
- Business Oregon Director receives ODOT Region Manager and Business Oregon Business Development Officer joint recommendation and makes a formal recommendation on the validity of the data and the project proposal to the ODOT

Director for OTC approval.

- Upon OTC action, the ODOT Director notifies the Business Oregon Director and the local government sponsor of the IOF award approval or denial.

6. OTC decision and implementation

The OTC's judgment on eligible projects will include consideration of the size of each project in relation to the availability of IOF funds, number of project requests, local community support, private participation, proportion of matching funds, scheduling of the development project and other factors such as employment generation, revitalization, improved industrial site access, certification of industrial sites, and regional priorities. Preference will be given to projects having a positive impact on safety, operation and/or capacity of the State Highway System.

The OTC will decide the commitment of funds within forty-five (45) days of a request received from the Business Oregon Director. If approved, a project agreement between ODOT and the local government sponsor (and other participants, if necessary) will then be developed. The agreement will cover factors such as, but not limited to, project engineering, contracting, land use and environmental approvals, funding, and future maintenance and use.

The agreement will also provide for reimbursement to ODOT by the local government sponsor if the promised number of jobs created or retained does not materialize or is not documented. This may occur on a pro-rated basis, and time extensions may be allowed. When the Business Oregon Director indicates, in writing, that business conditions for the firm(s) cited in an IOF agreement have changed significantly, ODOT may re-negotiate the required number of jobs with the local government sponsor, and amend the agreement to address the change. Re-negotiation must be approved, in writing, by the ODOT Director and referred to the OTC for approval.

For Type C projects:

- A. The agreement will require the local government sponsor to obtain certification of the site served by the road and street improvements under the State of Oregon's Certified Industrial Site program within three (3) months of completion of the road and street improvements or repayment of the Immediate Opportunity Fund award will be required. If certification of the industrial site is not obtained by the deadline due to a Business Oregon delay, an extension for the deadline may be approved through mutual agreement of the Director of Business Oregon and the Director of ODOT.
- B. In the event construction of the road and street improvements results in the discovery of previously unknown circumstances that require significant financial resources to address, the deadline for certification may be extended or the repayment requirement may be waived through a recommendation of the Business Development Officer which is mutually agreed upon by the Directors of

ODOT and Business Oregon, and referred to the OTC for approval.

Generally, the local government sponsor is expected to manage the development and construction of the project, and work directly with the private firm(s) involved.

7. Program administration

The OTC will review the status of the Immediate Opportunity Fund with each project proposal. An annual evaluation of the program will be conducted, including any recommendations for changes, and presented to the OTC.

It is the OTC's policy that no uncommitted balances accumulate in the Immediate Opportunity Fund. The highest balance available per biennium is \$7 million. The OTC reallocates uncommitted amounts to the Statewide Transportation Improvement Program (STIP). The Statewide Section of the STIP document will list the annual fund allocation in each document update.

For projects off the State Highway System, this program provides grants for project completion contingent upon job creation and other factors contained in this document. This is distinct from the usual focus on reimbursements for ODOT-sponsored construction activity.