

OREGON DEPARTMENT OF TRANSPORTATION
IMMEDIATE OPPORTUNITY FUND
POLICY GUIDELINES
Revised March 24, 2004

1. PURPOSE OF THE IMMEDIATE OPPORTUNITY FUND

The purpose of the "Immediate Opportunity Fund" 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 Immediate Opportunity Fund is not a replacement or substitute for other funding sources.

The Immediate Opportunity Fund 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 to respond quickly to economic development opportunities.
- C. Provide criteria and procedures for the Oregon Economic and Community Development Department (OECDD), 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.

The use of the Immediate Opportunity Fund is limited to:

- Type A: Specific economic development projects that affirm job retention and job creation opportunities.
- Type B: Revitalization of business or industrial centers to support economic development and quality development objectives.

The fund is not to be used for speculative investments.

2. FUNDING LEVELS

For the biennium beginning July 1, 2003, the Immediate Opportunity Fund will be financed at a level of \$7 million. Up to \$2 million may be committed in support of Type B projects. Fund consideration is restricted to potential economic development projects and associated access management and right-of-way preservation projects that require a quick response and commitment of funds.

As a guideline, the maximum amount available for a single project of Type A is \$1,000,000 and the maximum amount available for a project of Type B is \$250,000.

Project proposals are normally expected to provide a match of 50 percent or more of the total funds used for public roadway improvements.

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 estimates.)

3. PROGRAM CRITERIA

Key factors in determining eligibility for funds are whether an immediate commitment of funds is required, and whether a transportation problem exists or can be prevented.

Projects must meet all the following criteria:

- A. The results of an economic impact analysis must be acceptable to the OECDD Director, who will provide recommendations to the ODOT Director.
- B. The application must identify the direct benefits in terms of primary jobs created or retained by the development, or revitalized central business or industrial districts that support quality development objectives.
- C. The improvements must be on a public right-of-way (right-of-way must be acquired before project completion), must serve general transportation needs, and must conform to access management policies.
- D. The OECDD Director will review the application and make a recommendation to the ODOT Director on the validity of the data presented, and that a project's

decision hinges on an immediate commitment to construct the road improvement.

- E. The project and development must meet all necessary land use and environmental requirements, and have or can obtain all necessary permits.
- F. For Type A projects, 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. Normally, retail and service jobs do not meet this definition.
- G. For Type A projects, the project must be consistent with Quality Development Objectives as established in Executive Order no. 00-23, or as subsequently amended.
- H. For Type B projects, the project must advance Quality Development Objectives.

4. PROGRAM REQUIREMENTS

For projects to be eligible for Immediate Opportunity Funds, private businesses or their local government sponsors requesting assistance must:

- i. Be in the process of negotiating a location, retention, expansion, or revitalization project and involve OECDD and ODOT early in the process.
- ii. Demonstrate the transportation problem, and the benefits of the proposed project as a solution.
- iii. Document that the decision to locate, relocate, or expand in Oregon hinges on an immediate commitment of road construction resources.
- iv. Document the arrangements for other infrastructure needed for successful development, such as water, sewer, police, fire, etc.
- v. For Type A projects, demonstrate jobs created by economic development projects are "primary" jobs.
- vi. Dedicate any new road right-of-way to public use, indicate which local government agency will assume ownership, and illustrate how they have adequate ability for future maintenance. (The State will maintain the sections of projects on state highways. Local government will be responsible for roads and streets off the state system.)

- vii. Provide assurance of matching funds as required by the Oregon Transportation Commission. (ODOT's Right-of-Way Section will verify right-of-way estimates.)
- viii. For Type A projects, describe how the project is consistent with Quality Development Objectives.
- ix. For Type B projects, describe how Quality Development Objectives will be advanced by the project.

In evaluating the requirements, OECDD is responsible for evaluation with regard to job impact and economic merit. ODOT will assess the proposed transportation eligibility and merit.

5. IMMEDIATE OPPORTUNITY FUND REQUEST PROCESS

The Oregon Transportation Commission requires a rapid five-step procedure for project requests using Immediate Opportunity Funds. The five steps to be undertaken in conjunction with OECDD are as follows:

- OECDD Regional Development Officer receives requests, reviews for economic merit, and forwards recommendation to ODOT Region IOF Coordinator.
- OECDD reviews proposal with other GERT regional field team members for consistency with Quality Development Objectives.
- ODOT Region IOF Coordinator reviews project request for transportation merit and with OECDD, jointly recommends action to ODOT Region Manager for approval.
- OECDD Director receives ODOT and OECDD joint recommendation and makes a formal recommendation to ODOT Director for Transportation Commission approval.
- Upon approval, ODOT Director notifies the local government sponsor and ODOT Region develops a project agreement between the local government and ODOT. Local government sponsors will also be notified of requests not approved.

6. OREGON TRANSPORTATION COMMISSION DECISION AND PROJECT IMPLEMENTATION

The Oregon Transportation Commission's judgment on eligible projects will include consideration of the size of each project in relation to the availability of immediate opportunity funds, number of project requests, local community support, private participation, proportion of matching funds, scheduling of the development project and other factors such as total employment generation. Preference will be given to projects having a positive impact on safety, access and capacity of the State Highway System.

The Oregon Transportation Commission will decide the commitment of funds within thirty (30) days of a request received from the OECDD Director. If approved, a project agreement between the State 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. Generally, the local government sponsor is expected to manage the development and construction of the project, and work directly with the private business(es) involved.

7. PROGRAM ADMINISTRATION

The Oregon Transportation Commission 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 Oregon Transportation Commission.

It is the Oregon Transportation Commission's policy that no uncommitted balances accumulate in the Immediate Opportunity Fund. The highest balance available per biennium is \$7 million. The Oregon Transportation Commission reallocates uncommitted amounts to the Statewide Transportation Improvement Program.

The Statewide Section of the "Statewide Transportation Improvement Program" 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.

Attachment: “Quality Development Objectives”
(From Executive Order No. EO-00-23)

The following Quality Development Objectives are hereby established to articulate the state’s community development interests and to establish the state’s investment priorities for the physical development of communities. The Objectives should be used in combination with state and local partnership principles and local development objectives to help build healthy and diverse communities and regions throughout Oregon.

- 1) Promote compact development within urban growth boundaries to minimize the costs of providing public services and infrastructure and to protect resource land outside urban growth boundaries.
- 2) Give priority to a quality mix of development that addresses the economic and community goals of a community and region.
- 3) Encourage mixed use, energy-efficient development designed to encourage walking, biking and transit use (where transit is available).
- 4) Support development that is compatible with a community’s ability to provide adequate public facilities and services.
- 5) Facilitate development that is compatible with community and regional environmental concerns and available natural resources (e.g., available water, air quality, etc.).
- 6) Support development that provides for a balance of jobs and affordable housing within a community to reduce the need to commute long distances between home and work, thereby minimizing personal commuting costs as well as the public and societal costs of expanding the transportation infrastructure.
- 7) Promote sustainable local and regional economies in order to provide jobs for residents and financial support for community services.