

Financing Strategies

Downtown revitalization programs and activities are typically funded by a multitude of sources. Often, especially in emerging markets such as downtowns, private sector projects are not economically viable without some public assistance. Likewise, public investments, such as infrastructure, civic buildings, and open space often do not have dedicated funding mechanisms. The funding needed for these public and private projects usually exceeds available revenue. However, neither the City of Woodburn nor the urban renewal agency can or should fund all of the necessary projects alone. By pursuing additional funding sources for projects, Woodburn can leverage its limited funding capacity to increase the overall impact on Downtown. Indeed, many outside sources of money will require a local match.

This section provides a synopsis of popular public and private funding sources that can be tapped for various aspects of downtown/community/economic revitalization initiatives. They are listed in this section together with websites that provide detailed program descriptions and contact information.

Private/Nonprofit Funding Sources

Often, in order to access funding from foundations, the organization requesting funding must have 501c3 tax exempt status, or be a city. Each of these sources has widely ranging project eligibility criteria and application procedures. Check each source for their specific requirements and programs.

- The Ford Family Foundation & The Ford Institute for Community Development
<http://www.tfff.org/>
- Meyer Memorial Trust
<http://www.mmt.org/>
- Northwest Grantmakers
<http://www.lib.washington.edu/gfis/resources/pnw-links.html>
- Oregon Community Foundation
<http://www.ocf1.org/Default.htm>
- Philanthropy Northwest
<http://www.philanthropynw.org>

For a full listing and description of Oregon Foundations, see the Oregon Foundation Data Book, www.FoundationDataBook.com.

Cascadia Revolving Fund is a non-profit financial institution that provides loans and technical assistance to entrepreneurs and non-profit organizations unable to access traditional financing and support. Cascadia lends to businesses owned by low-income people, women or minorities; and to childcare businesses, businesses that restore or improve the environment or have strong potential to create family wage jobs. Cascadia provides intensive, one-on-one business counseling to borrowers at no additional cost. Contact Cascadia Oregon office at (503) 235-9635 or visit www.cascadiafund.org.

The Oregon Microenterprise Network (OMEN) is a statewide association of microenterprise development programs and their supporters. These programs provide training, lending and other enterprise opportunities to entrepreneurs with limited access to economic resources. They offer an excellent free publication called *The Microenterprise Development Resource Guide*.
<http://www.oregon-microbiz.org/>

Rural Community Assistance Corporation, RCAC, is a major resource for the rural west. Core services include technical assistance and financing for affordable housing, environmental infrastructure and community facilities. In 1996 the U.S. Treasury certified RCAC as a Community Development Financial Institution (CDFI). RCAC believes rural citizens can better control their own future by creating healthy and sustainable communities. Oregon office: 503.228-159 or <http://www.rcac.org>.

SOLV provides materials, planning assistance and small grants to communities and organizations who want to organize a restoration, enhancement, cleanup or beautification project.
<http://www.solv.org>

Public Funding Sources

The Economic Revitalization Team (ERT) emphasizes multi-agency coordination on projects of local and statewide significance. The Economic Revitalization Team has regional coordinators deployed around the state to help Oregon communities and businesses succeed. They work with state agencies and local governments to: 1) streamline permitting for business and industry; 2) to increase opportunities to link and leverage public and private investments; and 3) provide greater local access to state resources. The following state agency directors are members of the ERT:

- Economic & Community Development
- Environmental Quality
- Housing & Community Services
- Land Conservation & Development
- Transportation
- Consumer and Business Services
- State Lands
- Agriculture

Many of the relevant funding resources are listed in this section. Visit the Economic Revitalization Team website for a complete listing of funding sources associated with these departments:
<http://www.ert.oregon.gov/Gov/ERT/funding>.

Oregon Arts Commission has several small grant programs which are summarized at <http://art.econ.state.or.us/programs.htm>. They include Arts Services, Arts Across Oregon, and Arts Build Communities grants, some of which have been used to fund downtown arts-oriented projects.

Oregon Economic & Community Development Department provides economic and community development and cultural enhancement throughout the state and administers programs that assist businesses, communities and people. Oregon's economic development system is designed to meet the state's changing economy, provide flexibility in funding statewide and regional needs, and focus on funding economic and community development services for rule and distressed communities.

For more information on Oregon Economic and Community Development's programs, visit <http://www.econ.oregon.gov/>. Woodburn is part of the Marion/Polk County region where the Business Development Officer is Tom Fox, 503-986-0142.

Selected financial programs offered through Oregon Economic & Community Development Department are listed below:

- **Oregon Business Development Fund (OBDF)** provides long-term fixed-rate financing through a revolving loan fund. OBDF funds can be used to finance land, buildings, equipment, machinery and permanent working capital. The Fund targets rural and distressed areas and businesses with fewer than 50 employees. Participants must create or retain jobs; must be a traded-sector business in manufacturing, processing or a regionally significant tourist facility. The Fund features a Targeted Development Account for distressed areas of Oregon.
- **Oregon Business Retention Program** offers companies consulting services that are delivered by some of the best and most experienced private sector consultants in the state. A consultant is matched with a company based on specific needs and industry requirements. The maximum benefits are \$5,000 for consulting services and \$30,000 for feasibility studies. In addition, to qualify for a feasibility study, the applicant must contribute 25 percent of the feasibility cost in cash. Consultant fees are handled as an interest-free loan. Companies are allowed up to two years to repay their loan. Eligible businesses must be an Oregon company facing a period of difficult change, such as financial or organizational distress.
- **Capital Access Program (CAP)** provides capital loans to small businesses for start-up or expansion. This program helps lenders (banks) make more commercial loans to small businesses and is available to for profit or non-profit businesses seeking funds for most business purposes, except to purchase or improve residential housing or real property not used for business operations, or for refinancing existing balance of a non-enrolled loan. All types of loans and lines of credit are available and lenders build a loan loss reserve each time they enroll a loan. Contributions to the loss reserve account are matched by the state of Oregon.
- **Credit Enhancement Fund (CEF)** provides guarantees for working capital or fixed asset bank loans. The Fund is available to manufacturing, production and processing companies with less than 200 employees. CEF funds assist businesses located in a designated distressed area with brownfield site clean-up costs. Funds can be used for real property, buildings, machinery and equipment, working capital and export financing.
- **Entrepreneurial Development Loan Fund (EDLF)** provides an initial, direct loan to help companies get started in Oregon. The Fund assists micro-enterprise and small businesses in niche where traditional lending market will not venture. Participating companies must meet two of the following criteria:
 - in operation for less than 24 months;
 - revenues of less than \$100,000 in the previous 12 months; and
 - business owned by severely disabled person.

- **Oregon Enterprise Zone** program encourages (typically nonretail) businesses to invest in economically lagging areas of the state by allowing for property tax exemptions for up to five years. In exchange for receiving a property tax exemption, participating firms are required to meet the program requirements set by the state statute and the local sponsor.
- **Oregon Electronic Commerce Enterprise Zone** program encourages businesses engaged in e-commerce activities to invest in economically lagging areas of the state by allowing for property tax exemptions for up to five years. Qualifying business firms may receive a credit against the firm's annual state income or corporate excise tax liability. The credit equals 25 percent of that tax year's investment cost in capital assets for operations related to electronic commerce and located in the designated area.

Oregon Department of Transportation (ODOT)—ODOT administers a variety of state and federally funded transportation programs, including grants and loans. Selected ODOT programs are identified below:

- **Oregon Transportation Enhancements (TE) Program** awards grants to local governments and other public agencies to support projects that improve communities and enhance the experience of traveling. New sidewalks, bike lanes, and pedestrian amenities such as benches and streetlights are eligible TE projects, as are the restoration of historic railroad stations, bus stations, and bridges. TE awards typically range from \$200,000 to \$1 million, and local governments must contribute ten percent of the project's cost.
- **Oregon Pedestrian and Bicycle Program (ODOT)** provides grants for crosswalks, bike lane striping, and pedestrian crossing islands that fall within the rights-of-way of streets, roads and highways. Bike/pedestrian grants usually fall between \$80,000 and \$500,000.
- **Oregon Safe Routes to Schools (SR2) Program** uses federal funds authorized by SAFETEA-LU (Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users approved by Congress in 2005). The program funds advocacy efforts such as traffic education, safety enforcement near schools, and public awareness campaigns aimed at making it safer for children to walk to school. SR2S funds may also be used for the construction of sidewalks, pedestrian crossings, bike storage racks, and traffic calming facilities.
- **Oregon Transportation Growth Management Program** provides grants to local governments in Oregon for a variety of purposes including updating land use and transportation plans, making walking and biking safer and more convenient, improving access to transit, improving the pedestrian-friendliness of downtowns and Main Streets, amending local codes to encourage "transportation efficient" development, and creating better connections between local destination.

Local Revolving Loan Funds provide below interest loans, typically to small businesses, and are administered by various Oregon groups. In most cases, funding has been provided by the federal Department of Housing and Urban Development (HUD), the federal Economic Development Administration (EDA), the U.S. Department of Agriculture Rural Economic and Community Development Administration (RECD) or the Oregon Economic and Community Development

Department. Loan criteria may reflect some of the objectives of those funding organizations or may have special requirements of those agencies.

US Small Business Administration 504 Loan Program offers small businesses fixed interest rate loans below market rate. The Program is available to successful small businesses with expansion plans, and, under some circumstances, for start-up businesses. It is limited to business owners or users. Loan proceeds can be used for construction, acquisition, rehabilitation and leasehold improvement of real estate, and for machinery and equipment.

US Small Business Administration 7(a) Loan Guarantee Program offers loan programs to small businesses with targeted needs. The Certified Lenders Program (CLP) is designed to provide expeditious service on loan applications received from lenders who have a successful SBA lending track record and a thorough understanding of SBA policies and procedures.

The Preferred Lenders Program (PLP) is another step in SBA's process of "streamlining" the procedures necessary to provide financial assistance to the small business community. In addition there is information on SBAExpress, Community Express and Secondary Market Programs at the US Small Business Administration web site.

<http://www.sba.gov/services/financialassistance/7alenderprograms/index.html>

The USDA, Office of Rural Development has a number of programs for rural communities with populations of less than 50,000. <http://ocdweb.sc.egov.usda.gov/>

The Rural Business Enterprise Grants (RBEG) program for example provides grants for rural projects that finance and facilitate development of small and emerging rural businesses help fund distance learning networks, and help fund employment related adult education programs. To assist with business development, RBEGs may fund a broad array of activities. Rural public entities (towns, communities, State agencies, and authorities), Indian tribes and rural private non-profit corporations are eligible to apply for funding.

State Historic Preservation Office Programs, in the form of grants and/or State or Federal Historic Rehabilitation Tax Credits are available for improvements to historic property and other activities related to local preservation efforts. The Federal Historic Rehabilitation Tax Credit Program provides a 20% income tax credit for qualified rehabilitation of depreciable, income-producing, certified historic properties. The State Historic Preservation Office oversees the Historic Survey & Inventory Program; administers the federal National Register of Historic Places Program; and the state's Certified Local Government Program. For more information: <http://www.shpo.state.or.us>.

Technical Assistance Organizations

Oregon Association of Minority Entrepreneurs, or OAME, is a non-profit organization formed to promote and develop entrepreneurship and economic development for ethnic minorities in Oregon. OAME provides training, technical assistance, access to credit, access to markets and asset development. <http://www.oame.org>

The Neighborhood Partnership Fund, NPF, is an Oregon non-profit that provides ideas, resource and training to community development organizations and partners to create economic opportunities and affordable housing for low-income people. <http://www.tnfpf.org>

Rural Development Initiatives, RDI, is a non-profit organization that assists rural community leaders, the organizations they create, and those that support them. RDI's services include: leadership development, action training, strategic planning and special projects. <http://rdiinc.org>

The State Network Office of Small Business Development Centers can guide you to the nearest Small Business Development Center for personal hands-on help for small businesses and potential businesses. Experienced advisors and instructors address all aspects of business ownership to help create prosperous businesses. The centers are hosted by community colleges and universities throughout Oregon. <http://www.bizcenter.org>

Technical Assistance for Community Services, better known as TACS, provides assistance to nonprofit organizations to help them develop the people and skills they need to achieve their missions. TACS has provided training and/or consultation for over 3,000 non-profits throughout Oregon and Washington. TACS provides workshops, networks, and consultations on financial management, board development, strategic planning, building diversity, organizational development, and leadership issues. <http://www.tacs.ogec>