



SENATE MAJORITY OFFICE

Oregon State Legislature
State Capitol
Salem, OR

NEWS RELEASE

June 8, 2011

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Key Senate Democratic priority will remove barriers to loans and capital for Oregon's small businesses, create jobs

SB 494 builds on success of 2010's Access to Business Capital Act

SALEM – Legislation that builds on the success of the Access to Business Capital Act from the February 2010 Session passed off the Senate floor this morning. By removing the sunset date and making permanent the changes made in February 2010, SB 494 is a key piece of the Senate Democrats' agenda commitment to remove barriers to loans and capital for Oregon's small businesses.

"This legislation is a key piece of the Senate Democrats' work this session to help local businesses access the capital they need," said Senate Majority Leader Diane Rosenbaum (D-Portland). "The Access to Business Capital Act has created good, family-wage jobs across the state. Continuing this program will only help Oregon's economic recovery."

Senate Bill 494 removes the sunset on provisions related to the Access Business Capital Act which was established under Senate Bill 1017 during the February 2010 Session. The Access to Business Capital Act provides Business Oregon, the state's economic development agency, more flexibility in administering the Oregon Business Development Fund (OBDF) and the Entrepreneurial Development Loan Fund (EDLF).

"Since we championed this bill in 2010, over \$5 million in loans have been approved for 36 small businesses. These loans will help businesses leverage more than \$68 million in additional project financing. Most importantly, these small business loans will help create and retain almost 400 jobs across Oregon," said Senator Suzanne Bonamici (D-NW Portland/Washington Co.), chief sponsor of SB 494 and the original legislation from 2010.

In the past year, the Access to Business Capital Act has broadened the pool of applicants for loan consideration, expedited the loan approval and processing time, and allowed Business Oregon to fill a larger financing gap per project to respond to the tighter lending criteria that has been imposed on even sound borrowers during the financial crisis.

"One important role of the government is to foster an environment that supports and protects local businesses and our economy," said Senator Joanne Verger (D-District 5), who carried the bill on the floor. "All over the state, small businesses are growing because of this program. In my district, Oregon Resources, Inc., a small mineral processing facility outside of Coos Bay, received \$700,000 from Business Oregon to

increase operations. This is predicted to create 43 jobs on the Oregon coast.”

After being signed into law in April 2010, loans have been made to small businesses in cities across the state, including Coos Bay, John Day, Portland, Eugene, Albany, Hood River, Baker City and Medford. Projects include:

- Ninkasi Brewing in Eugene obtained a loan to expand their bottling line, and plan to create at least 17 new jobs.
- Frog Eyes Wasabi in Pacific City was able to finance a new greenhouse, helping to retain 2 jobs.
- Ochoco Lumber in John Day created 11 new jobs through the construction of a new pellet facility.
- Rogue Truck Body received a loan helping them to stay in business and create/retain 11 jobs.
- Just last month, Painted Hills Beef in Fossil received a loan that will create four jobs.

Business Oregon reports there are more than 10 potential projects in the pipeline, including loans for small businesses in all regions of the state. Businesses that are interested in applying for financing through the Oregon Business Development Department can check out available programs here:

<http://www.oregon4biz.com/Business-financing-resources/Oregon-Finance-Programs/>

SB 494 will now move to the House floor for consideration.

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