

Submitter: Michael Milch

On Behalf
Of:

Committee: House Committee On Emergency Management, General Government, and Veterans

Measure: HB4155

Chair Grayber, Vice Chairs Lewis and Tran, and Members of the Committee:

My name is Michael Milch, and I am the Mayor of Gladstone, Oregon, a city of 12,000 people in Clackamas County. I am here to speak in support of House Bill 4155.

The City of Gladstone was once a small “streetcar suburb” of nearby Portland and Oregon City, but like a lot of cities in Oregon and across the country, it experienced significant population growth during the rise of the baby boomer generation in the 1960s. A series of new housing developments during a few decades of rapid growth added to the city’s tax base and enabled the construction of essential infrastructure like secondary schools, a public library, and the streets, water, and sewer facilities needed to serve the newer neighborhoods.

It was a development pattern common to many suburban cities, trading near-term revenue advantages associated with new growth for long-term financial obligations associated with the maintenance of infrastructure. And now, fifty years later, having essentially built out all the available land in our city limits, those long-term obligations are bringing pressure to bear on our limited tax revenue and utility rates as the infrastructure built in the last century nears the end of its first life cycle.

Even when voters step up and approve a bond measure or elected officials adopt utility rate increases, the investment needed to maintain, upgrade, and replace aging infrastructure generally involves taking on fixed-term debt. Interest costs on public debt can vary in a cyclical economy, and these costs have the potential to double the total price of a project.

As cities like Gladstone invest in the infrastructure that is essential to the health and economic well-being of their residents, they would certainly benefit from an expansion of State grants, loans, and financing mechanisms designed to reduce the debt service cost and hasten the production of local projects. To that end, I urge you to support House Bill 4155. Thank you.