

OREGON ECONOMIC & COMMUNITY DEVELOPMENT COMMISSION



2004 ANNUAL REPORT

PRODUCED BY:

OREGON

ECONOMIC & COMMUNITY DEVELOPMENT DEPARTMENT

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March 2005

On behalf of the Oregon Economic and Community Development Commission and Department, I am pleased to present our 2004 *Annual Report*.

The report describes the Department's progress in reinventing itself to better serve the people of Oregon. Under the leadership of Governor Ted Kulongoski and with an unprecedented level of support from Oregon's diverse business communities, the Department is focused on the future—developing new and better ways to create opportunity in Oregon by maximizing the state's many resources.

This is exciting and challenging work as Oregon's economy grows and changes. While the state's natural resource base remains a critical economic asset, so too are its high-tech and medical device manufacturers, athletic footwear and apparel designers, nanotechnology and open-source lab researchers, and small businesses providing infinitely diverse products and services to Oregonians and their neighbors, all over the world. Our charge is to insure that the state's infrastructure can help these diverse industries and firms grow—and create high-quality jobs in Oregon.

The state's recession and associated job loss caused the Commission to help the Department reevaluate its business practices—to find better ways of mitigating the negative effects of the economic downturn and better ways to prepare for economic recovery. As a result, the Department has become more focused, efficient and effective. It is guided by a comprehensive plan, the objective of which is simple and straightforward: *quality jobs for Oregonians*. It has become more transparent and accountable, so that Oregonians will know how their tax dollars are invested and what they receive in return.

Our report explains the Department's new economic development priorities and strategies, introduces new performance and accountability measures, and identifies our past year's achievements.

The Commission is proud of the Department's progress and looks forward to even better results in 2005 as our current work helps more Oregon communities realize greater prosperity. So, expect much from us and let us know how we're doing, engage in your local economic development efforts, aim high in your individual and business pursuits—and tell us how we can help.

Sincerely,

A handwritten signature in black ink that reads "E. Walter Van Valkenburg". The signature is written in a cursive style and ends with a long, sweeping flourish.

E. Walter Van Valkenburg, *Chair*

EXECUTIVE SUMMARY

During the last five years Oregon has witnessed both the best and the worst of our increasingly technology-intensive, globally competitive economy.

In the late 1990s, Oregon was growing jobs at a faster rate than any other state—by expanding businesses, attracting talent, and inventing the industries of the future. When the U.S. economy stalled, Oregon's came to a screeching halt. Our high-growth industries rapidly contracted, our durable goods manufacturing slowed, and our investment capital sought refuge. While select firms and industries found new opportunities as markets changed, no corner of the state was left unscathed by the 2000 recession.

After 41 months of sluggish performance, Oregon's economy is now recovering. In 2004, the state ranked ninth best in the nation in employment growth, adding 34,000 jobs. While not enough to keep pace with population growth, it's a welcome start. Because Oregon is heavily dependent on income tax to generate state revenue, *jobs*—well-paying jobs—are central to the state's recovery and overall economic health. And jobs are among Governor Ted Kulongoski's top priorities.

The Governor charged the Oregon Economic and Community Development Department, the lead economic development agency in the state, with advancing the state's jobs agenda. Under the leadership of Director Marty Brantley, and in collaboration with the Economic and Community Development Commission chaired by E. Walter Van Valkenburg, the Department has reinvented itself to meet the needs of 21st century Oregon. Its mission is to create quality jobs for Oregonians—accountably, efficiently, and equitably.

Oregon: One of Eight States Named to Economic Development Honor Roll

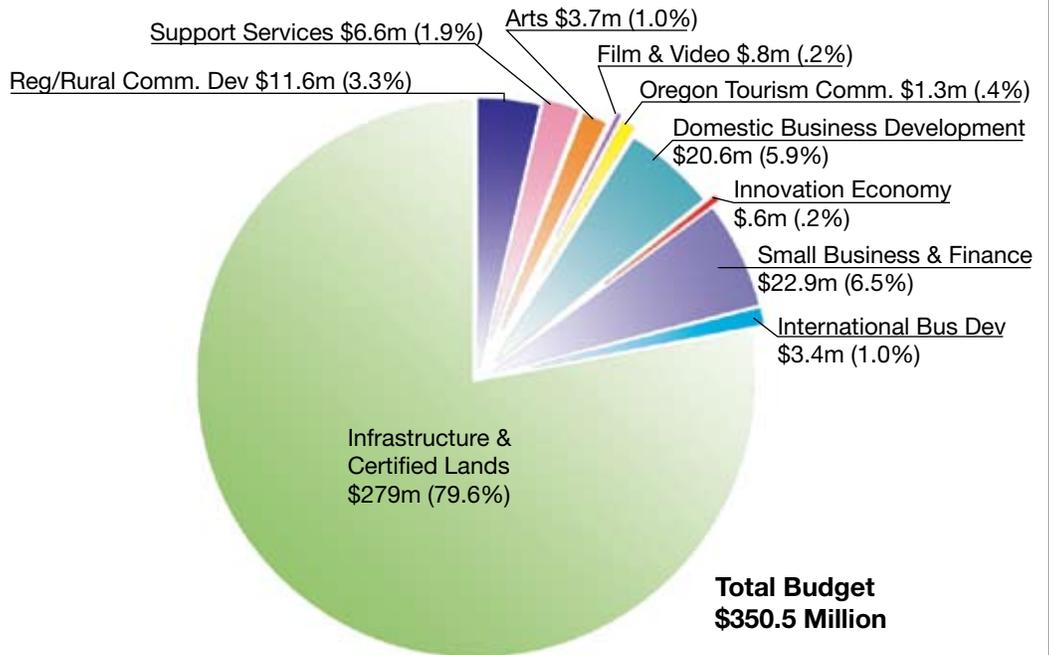
The Corporation for Enterprise Development (CFED) named Oregon to its "honor roll," based on the state's performance in CFED's Development Report Card. Oregon was the only Western state to earn a place on the list.

Reflecting an effort to balance short-term job creation strategies with longer-term investments in our economic infrastructure, the Department has developed a comprehensive economic development strategy, aligning its operations around four key goals:

- **Increasing business opportunity** through business attraction, creation and expansion, and by improving the state’s overall business climate.
- **Assisting Oregon communities in building their capacity to grow**, attract, and retain business.
- **Increasing innovation** among, and competitiveness of, Oregon’s traded sector firms and industries.
- **Improving customer service** and measuring performance results.

The Department is administering a budget of \$350.5 million for the 2003-2005 biennium. Of that, \$297.3 million is “passed through” the agency in the form of: 1) federal funds earmarked by the U.S. government for economic development purposes for which OECD serves as fiduciary agent only; 2) lottery debt service on bonds sold in the previous biennium for infrastructure projects; 3) funding for the Oregon Arts Commission, Tourism Commission, and Film & Video offices; and, 4) budget authority to spend non-limited other funds earned through revolving loan programs and the sale of revenue bonds.

Oregon Economic & Community Development Dept. 2003-05 Legislative Adopted Budget – Uses



Of its total budget, then, only 15 percent, or \$53.2 million, represents new state resources to be used by the Department to support economic development initiatives and their administration. This year, those initiatives include:

- **Industrial infrastructure development**, through capital projects and the implementation of the state’s new Certified Industrial Lands program;
- **Business development**, through finance programs and direct technical assistance targeting small- and medium-sized firms;
- **Community development**, aimed at building the capacity of Oregon’s diverse regions and rural areas to grow and attract new business; and,
- **Innovation**, through strategic investments in cutting edge research and development, and support for creative industries and firms seeking to make their ideas happen.

Together with its new strategy, the Department has adopted a new performance framework that reduces the number of measures, and simplifies their definitions and reporting mechanisms. The first of the nine new measures is **job creation**; the second is **job retention**. The remaining seven address:

- New commercial activity
- New “certified” industrial properties intended for development
- New capital investments
- New community-based economic development planning projects
- Support for industry clusters
- Patents filed
- Customer satisfaction

The Department is well on the way to achieving these performance measures—and has already surpassed biennial targets for traded-sector strategy development and successful patent filings.

Perhaps most importantly, the Department has reengineered the way it does business, emphasizing cross-agency efforts to maximize efficiency, aligning work with local business and community partners to leverage time, energy and resources, and maintaining a focus on the work that matters most.

And more than 10,000 Oregonians are working in new jobs as a result.

No one individual, agency, firm or industry can make Oregon’s economy succeed in the 21st century. It will take a diverse network of people and organizations collaborating to achieve results.

Together, we have built this infrastructure. And it is beginning to deliver.

Oregon’s Fastest Growing Industries

Oregon’s recovery began in 2003. By late 2004, the following industries were creating jobs at a fast clip:

- Business support services, especially call centers and staffing firms
- Manufacturing, especially transportation equipment, metals, and high-tech
- Residential building construction
- Ambulatory health care

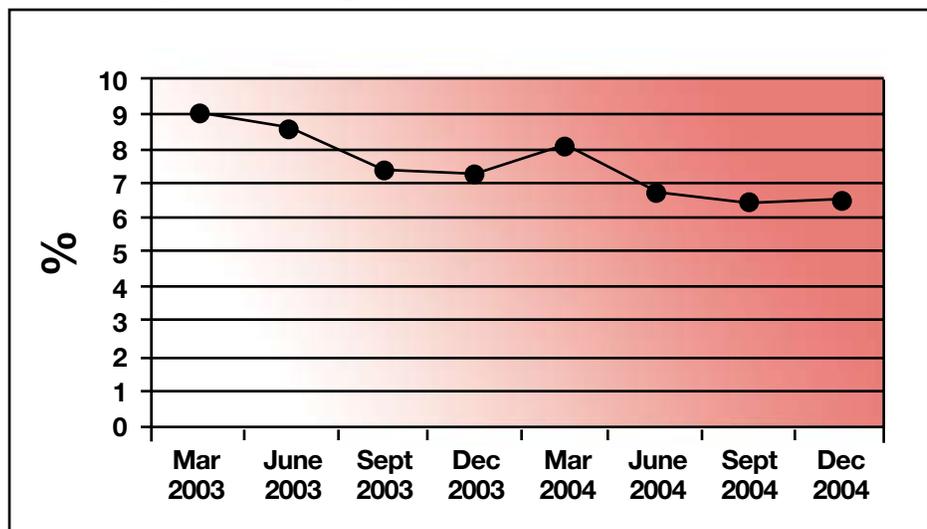
OREGON'S WELCOME RECOVERY

Oregon's economy is turning a corner.

After 41 months of sluggish growth, Oregon's economy is recovering, with new opportunities for firms and industries, new jobs for workers and families, and revitalized communities—rural, urban, and everything in between.

A sign of business optimism, the state added 34,000 jobs in 2004. While not enough to keep pace with population growth, it's a welcome start. Job growth is *the key* to Oregon's recovery and the state's overall economic health.

Oregon: Unemployment Rates (2003-2004)*

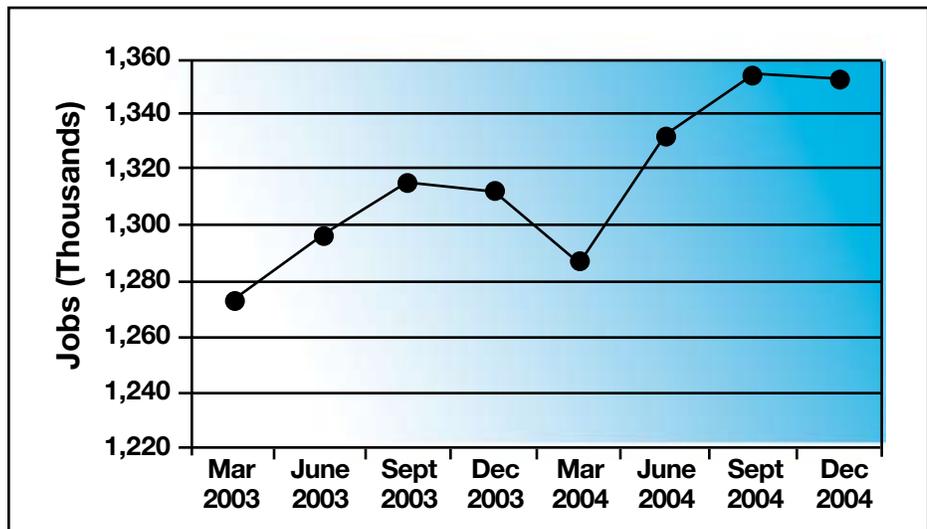


**Seasonally unadjusted*

While a priority in all states, job growth is particularly important in Oregon for two interrelated reasons:

- *Job Loss.* While the state is again growing, at the end of 2004, Oregon was still at a net loss of some 17,000 jobs, having seen only 74% of the jobs lost during the past five years replaced by new ones.
- *Dependence of Income Tax.* The state's individual income tax is Oregon's primary source of state revenue. Nearly 90% of the state's General Fund (and more that 75% of the state's total revenue) is generated by the individual income tax. And *income tax revenues depend on jobs.*

Oregon: Employment (2003-2004)



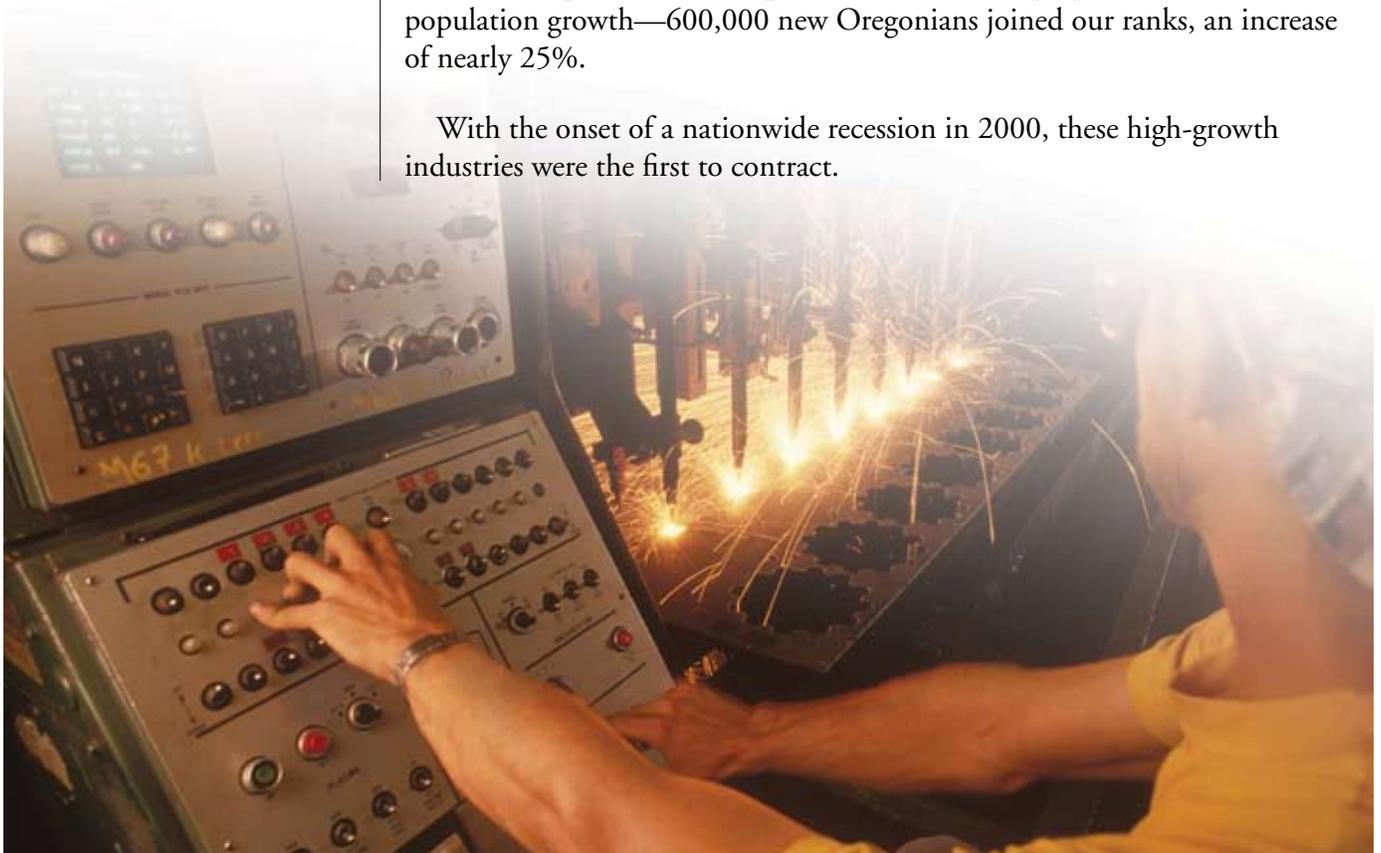
Source: Based on Oregon Employment Department Data

OREGON'S RECESSIONARY JOB LOSS

The 2000-2001 recession—together with the September 11 terrorist attacks—dealt a serious blow to the U.S. economy, resulting in a loss of nearly three million jobs in the subsequent three years. But Oregon, still recovering from the lingering effects of the Asian economic crisis (1999) and the west coast energy shortage (2001), lost jobs at nearly twice the rate of the nation as a whole. In 2002, 2.3 percent of the state's total employment base evaporated in a single year.

Three factors explain why so many Oregon jobs vanished so quickly. First, in the decade prior to the recession, explosive growth in Oregon's technology and manufacturing sectors created large numbers of new jobs. The state's rapid economic expansion in the 1990s propelled commensurate population growth—600,000 new Oregonians joined our ranks, an increase of nearly 25%.

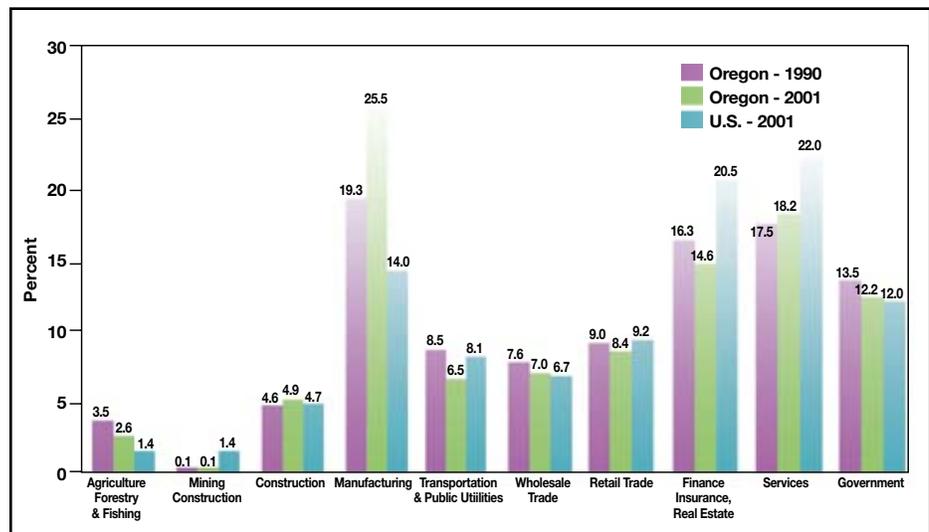
With the onset of a nationwide recession in 2000, these high-growth industries were the first to contract.



Operating a cutting torch

Second, the manufacturing industry, comprising one-quarter of Oregon’s gross state product, is concentrated in semi-conductors, technology and transportation equipment, heavy machinery, and other durable goods. These sectors are particularly negatively impacted by economic downturns as companies slow their technology, equipment, and machinery purchasing. Beginning in the year 2000, U.S. business investment dropped more than \$250 billion in less than 24 months. Oregon bore a disproportionately large share of the decline.

Percent of Total Gross State Product by Industry and Comparison to the U.S.



Source: U.S. Bureau of Economic Analysis

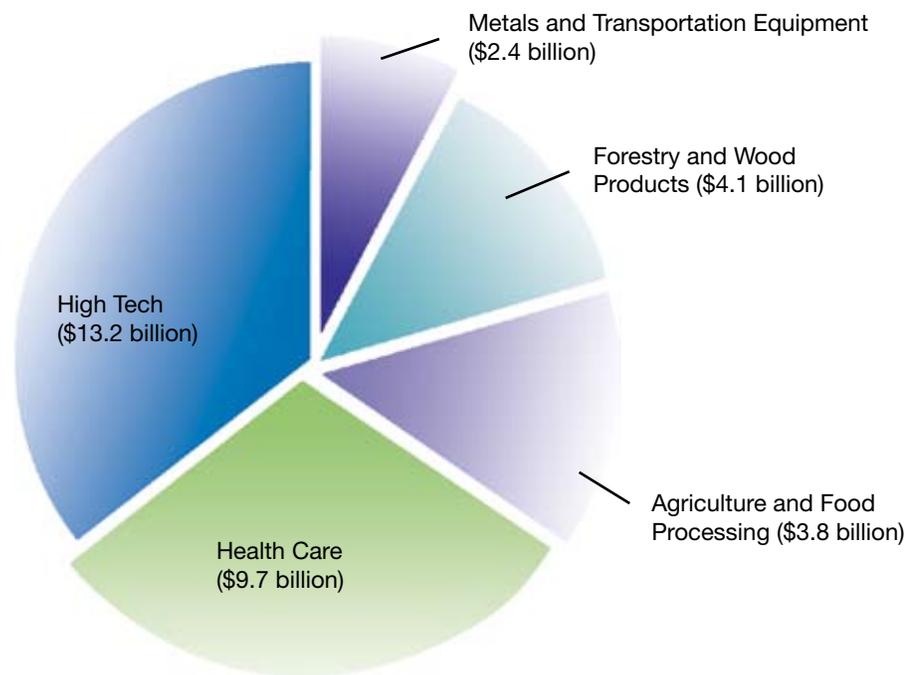
Finally, attracted by Oregon’s quality of life, and in spite of its high unemployment rate, individuals and families continued to flock to the state—many without jobs.

Oregon’s newest residents have dramatically enhanced the state’s diversity and talent base. The number of Oregonians of Hispanic descent has increased 20 percent since 2000. In the same time period, Oregonians identifying as Asians increased their numbers by 11 percent. More than one-third of Oregon residents who relocated from other states hold four-year degrees. Many are young, technology-savvy, and entrepreneurial—they are key assets for Oregon’s 21st century economy.

But they arrived in droves in the midst of Oregon’s worst recession in two decades, inadvertently helping to push the state’s unemployment rate above eight percent in 2003.

Importantly, much of the economic turmoil the state has experienced during the last five years is not simply a result of growth and contraction. Rather, owing to new technologies and increasing global competition, Oregon's economy has witnessed significant structural change. To greater extent than during previous recessions, the jobs that were lost are less likely to return as the economy begins to grow. Firms are changing what they do and how they do it. Whole industries are fading while new ones emerge.

Industries That Drive Oregon's Economy



Oregon's Newest Industries

Medical device design and manufacturing (Inovise, in Portland, Oregon)

Liquid crystal, flat screen, and advanced digital display design and manufacturing (Pixelworks, in Tualatin, Oregon)

Nanotechnology and micro-devices (Oregon Nanoscience and Microtechnologies Institute—ONAMI, Corvallis, Oregon)

Open Source and Linux Software Development (Open Source Development Lab and Small Business Incubator in Beaverton, Oregon)

These structural shifts are occurring not just in Oregon, and not just in the U.S., but all over the developed world. Technology is replacing jobs once done by people and newer jobs may require workers with skill sets different from those looking for work. Educational achievement among young people in lower wage countries—notably India and China—is rising, making these countries attractive places to invest in new businesses and recruit world-class talent at lower cost than in the U.S. or Western Europe.

Oregon needs to grow jobs and invest in the globally competitive firms and industries of the future.

OREGON'S DEPENDENCE ON INCOME TAX

Oregon's tax structure also makes job growth a critical aspect of the state's overall economic health.

Oregon is uniquely dependent on income tax to fund state operations, including the provision of health and education services. Three-quarters of the state's revenue—and 90 percent of its General Fund, a higher proportion than in any other state—derives from Oregon's individual income tax.

This structure posed a number of challenges during Oregon's recent recession.



First, declining income tax revenues are a direct result of job loss. And Oregon's volatile economy lost 65,000 jobs. In 2002 alone, Oregon witnessed a decline of more than \$1 billion in personal income tax revenue—representing almost 10 percent of the entire state budget.

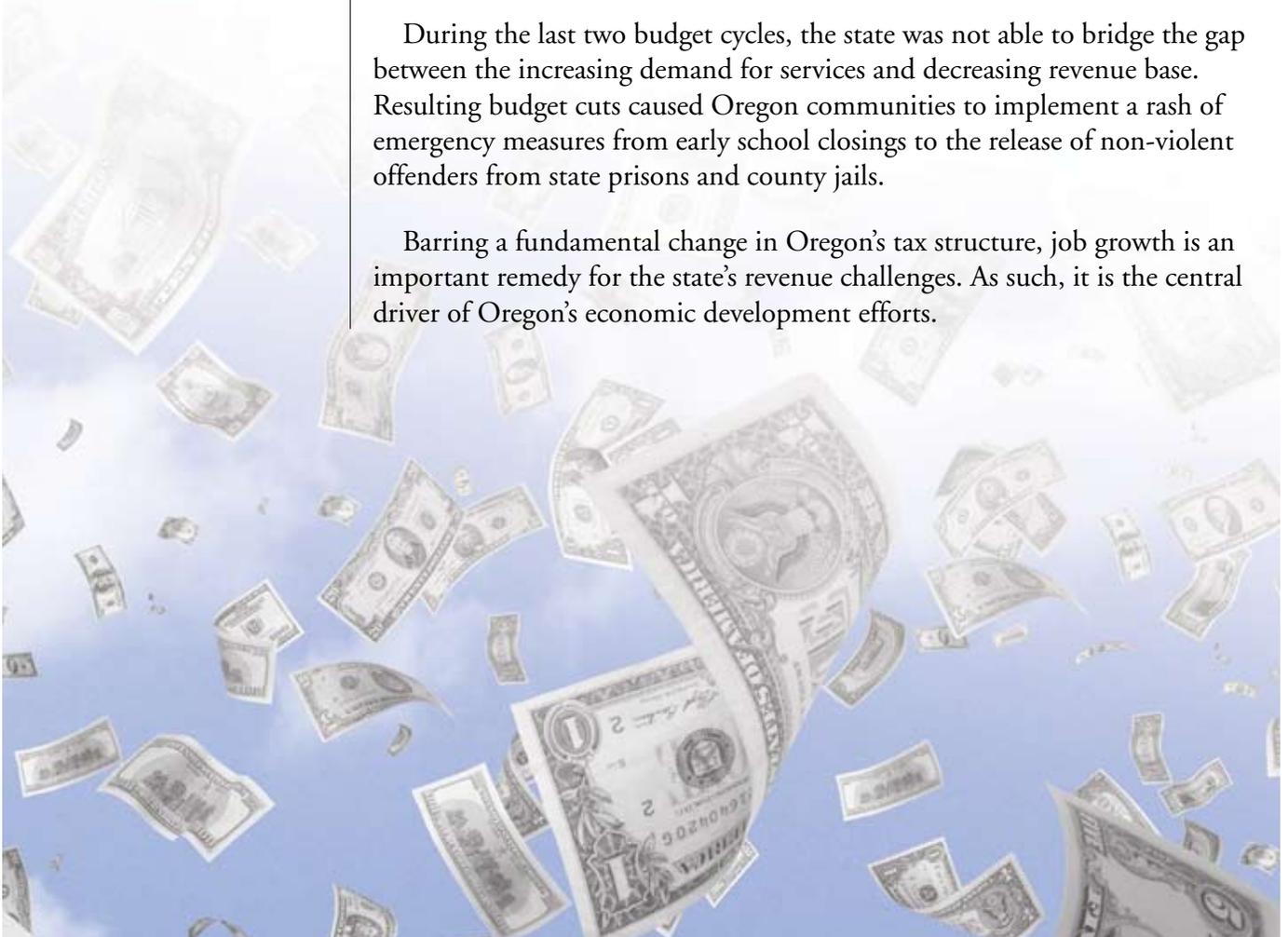
Oregon does not have a state sales tax. Corporate income tax contributes only 6 percent to the General Fund. Fees and other non-tax revenues comprise an even smaller share. When income tax declines because of job loss, falling wages, or some combination, there are no other significant sources of state revenue to make up the shortfall.

Second, during an economic downturn, Oregonians' demand for state services—ranging from health care to housing to education—increases, as it has for the past five years.

Third, businesses too rely on public services during recessionary times. Products and services ranging from direct supports, including business loans and grants, to state-supported services like higher education and workforce training have been much in demand.

During the last two budget cycles, the state was not able to bridge the gap between the increasing demand for services and decreasing revenue base. Resulting budget cuts caused Oregon communities to implement a rash of emergency measures from early school closings to the release of non-violent offenders from state prisons and county jails.

Barring a fundamental change in Oregon's tax structure, job growth is an important remedy for the state's revenue challenges. As such, it is the central driver of Oregon's economic development efforts.



INVESTING IN OREGON'S FUTURE

Since Governor Kulongoski assumed political office in 2003, improving Oregon's economy has been one of his top priorities.

Recognizing that job loss had reduced income tax revenues and compromised the ability of the state to meet its obligations—including educating the next generation of Oregon talent—the Governor called upon the Oregon Economic and Community Development Department (OECD) to help envision a better future and commit to making it happen. He charged the Department, under the new leadership of Director Marty Brantley, to work with the Department's oversight Commission and Oregon's business, civic, and community leaders to develop a statewide plan for economic development—one focused on jobs.

Over the last two years, Oregon leaders have risen to this challenge by sponsoring a number of key initiatives.

- The Oregon Business Plan and annual Leadership Summits;
- Key legislation (HB 2011, 5013, and 3613) that reinvented Oregon's approach to economic development, including establishing state and local partnerships in the form of the Economic Revitalization Team, identifying and marketing project-ready industrial sites in strategic locations, and investing directly in Oregon's most innovative firms through the Oregon Investment Council;
- Executive orders addressing workforce development, regulatory streamlining and sustainability; and
- The reengineering of the Oregon Economic and Community Development Department—clarifying the Department's objectives, aligning and better coordinating its business units and cross-agency work, and increasing its efficiency, effectiveness, and accountability.

Oregon's economic development efforts are now better aligned, and increasingly focused on the Governor's key economic development priority—*jobs*.

Oregon Attracts the Young and the Wired.

The state ranks 8th in the percentage of population on-line and 5th in the percentage of in-migration of twenty- and thirty-something single college graduates.

A NEW ECONOMIC DEVELOPMENT STRATEGY FOR OREGON

The Oregon Economic and Community Development Department's central purpose is *creating and retaining quality jobs*.

In past years, such a mission would have suggested a strategy heavily dependent on financial incentives, including business support and tax incentives to recruit firms from other states and from overseas. But at a time when states (and economies) much larger than Oregon are using incentives to compete for business development, this strategy alone will not help Oregon build a secure future. Today's economy demands a more nuanced approach to economic development.

In light of recent economic shifts and the evolution of economic development itself, we looked across states and local communities for successful economic development approaches and identified the following essential practices:

- Turning economic data into intelligence and using it to drive decision-making;
- Balancing short- and long-term investments and planned outcomes;
- Emphasizing customized solutions rather than one-size-fits-all programs;
- Focusing on growing new business and retaining existing firms, in addition to recruiting new ones; and,
- Understanding and maximizing the unique assets in the state and in Oregon's many diverse communities.

"We're looking at our best year ever, partly as a result of good planning, but most of the credit belongs to the superior workforce we've found here in Oregon."

Matt Conable, President
William Henry Knives

Our plan incorporates these, together with other best practices in the field and across complementary disciplines. It seeks to guide and support the work of the Commission, the Department, the local economic development groups, and civic leaders in cities and counties throughout the state.

The plan supports the Department's focus on the following key goals:

- 1. Increase business opportunity** through business attraction, creation and expansion, and by improving the state's overall business climate.
- 2. Assist Oregon communities in building their capacity** to grow, attract, and retain businesses.
- 3. Increase innovation** among, and competitiveness of, Oregon's traded sector firms and industries.
- 4. Improve customer service** and measure performance results.



Bear Creek Corporation Production Line

INCREASING INNOVATION

As Oregon's economy diversifies, knowledge-based industries are becoming an increasingly important part of the economic landscape. Our ability to seed and grow innovative firms and talented people is more important than ever before as Oregon strives to compete in the global economy.

Oregon maintains a strong record of innovation among its traded sector firms. But as competition increases—both from other states in the U.S. and from abroad—Oregon's public and private sector leaders will have to work smarter to develop the state's competitive advantages.

Toward that end, OECD is working to advance the state's innovation agenda by:

- Accelerating the process of turning research into a commercial product and bringing it to the marketplace; and,
- Developing the next generation of technology and industry.

The state's premier innovation project is the **Oregon Nanoscience and Microtechnologies Institute** (ONAMI) in Corvallis. The signature research center is the result of a unique public-private partnership among the following stakeholders:

- ESI
- FEI
- Hewlett Packard
- Intel
- Oregon State University
- Oregon Health Sciences University
- Portland State University

Oregon Values Innovation

In 2003, the state ranked 8th in the number of patents granted per capita. This reflects an increase of 140% (in the number of patents awarded to Oregon firms since 1993).



Governor Ted Kulongoski

- Pacific Northwest National Laboratory
- Pixelworks
- University of Oregon

The Center has attracted 70 top-tier faculty and researchers and is engaged in some 50 projects. Having received \$41 million in state funding, the Center has already generated substantial returns, including:

- Attracting \$28 million in new federal research dollars
- Securing \$8 million in private donations and sponsored research
- Filing and receiving two patents (additional patents have been filed and are awaiting approval)
- Selling a license to option new technology to a venture firm

ONAMI is attracting the business of firms in need of cutting-edge applied research—it is already competing with top-tier research institutions, such as the Massachusetts Institute of Technology, for this work. Importantly, nanoscience, ONAMI's principal research and development focus, is not an industry but an emerging technology—its potential applications cut across industries and firms of all kinds, including those in some of Oregon's most important clusters.

Already ONAMI is working on commercial products in the following areas:

- Microreactor production of nanomaterials that would result in clean, efficient, and low-cost alternative fuels—farm-produced bio-diesel, for example;
- Nanostructures for high-resolution electronics—such as brighter and less-expensive low-power, flat-panel displays; and,
- Portable miniature heating, cooling and micro-power systems—for use on the battlefield or in remote environments.

While ONAMI is a unique institution, it is exactly the kind of innovative public-private partnership that will help Oregon generate high-wage jobs today while it invents the industries of tomorrow. We hope it is the first of many such ventures.

BRAND OREGON

The Department houses one of the state's highest profile cross-agency economic initiatives—*Brand Oregon*, an integrated marketing program designed to elevate Oregon's image to sell more products and create new business opportunities. It is one of Governor Kulongoski's top economic development priorities, and one of 12 key initiatives included in the Oregon Business Plan.

As a part of its broader marketing efforts with the Oregon Economic Development Association, The Oregon Tourism Commission and other public and private partners, Brand Oregon was launched in 2004 in an effort to capitalize on Oregon's strong place-based brand awareness, and propel the marketing efforts of Oregon businesses.

Through creative partnerships, the Department's marketing efforts have successfully leveraged limited state funds with public- and private-sector partners' promotional budgets. The 2005 business recruitment ad campaign, a partnership among the Department, Brand Oregon and the Oregon Economic Development Association, targets business publications in Northern California and national site selection magazines. During 2004, Brand Oregon partnered with The Oregon Department of Agriculture, agricultural commodity commissions and the private sector on two major product campaigns: *Oregon Seafood* and *Oregon Bounty*.



KEY PROGRAMS AND DIVISIONS

During the past year, OECDD has reorganized around five key program areas housed in the Department's six divisions. These include:

- Domestic Business Development (Business and Industry Division)
- Small Business Services and Finance (Business and Industry Division)
- Infrastructure and Certified Industrial Lands (Capital Projects and Community Development Divisions)
- International Business Development (International Division)
- Regional and Rural Community Investment (Capital Projects Division)

Central Operations and Marketing and Communications are also important agency functions, but they focus on contract processing, intra- and inter-agency operations, and public outreach. Increasingly, as the Department leverages the resources and expertise of other public- and private-sector agencies and organizations, programs are planned, supported and implemented by project teams that include non-OECDD staff. This new way of working, combined with the Department's increasing emphasis on accountability and transparency, means that Central Operations and Marketing and Communications Divisions function as essential connective tissue across the agency's programs and across government.

The Department's six program divisions organize their work around the OECDD's four key goals.

DOMESTIC BUSINESS DEVELOPMENT

Domestic Business Development, housed in the Department's Business and Industry Division, focuses on **increasing business opportunity** by:

- **Helping firms to expand** through sustainable business practices, workforce training, and financial incentives for business development;
- **Improving the state's business climate** by streamlining regulatory and permitting processes linked to industrial development; and,
- **Marketing Oregon** through targeted campaigns promoting Oregon products and services, and by marketing certified industrial sites and publicizing Oregon's workforce training programs.

The Domestic Business Development programs are the Department's primary providers of direct financial assistance to business in Oregon. They bear primary responsibility for creating, retaining, and recruiting firms that provide quality jobs for Oregonians.

In collaboration with the other OECDD programs, the Department's statewide network of Business Development Officers manages three program areas intended to help firms launch, expand or relocate in Oregon: the Strategic Reserve Fund, business finance programs, and industry sector outreach.

The **Strategic Reserve Fund** comprises flexible resources that make it possible to develop incentive packages tailored to the needs of individual firms the state is working to grow or recruit. The fund helps Oregon maintain a significant competitive advantage over states offering more rigid relocation packages or start-up incentives.

The Department maintains a number of **business finance** programs—the Oregon Business Development Fund, Oregon Capital Access Program, Oregon Credit Enhancement Fund, Oregon Entrepreneurial Development Loan Fund, and the Oregon Industrial Development Bond Program. The programs allow the state to provide firms with loans and grant guarantees that enable business start-up, development, or expansion—and job-creation—in Oregon's diverse communities.

While the Strategic Reserve Fund and business finance programs focus primarily on direct or indirect financial assistance to firms, the **sector-focused** programs offer more varied incentives and supports.

Acumed, a biomedical device firm, is expanding its operations in Hillsboro. With the assistance of \$200,000 in Strategic Reserve Funds to support workforce training, the firm plans to create 140 engineering and manufacturing jobs during the next five years and add 37,000 square feet to the company's existing facility.

First, the division's industry outreach efforts include specific initiatives to promote lean and other advanced manufacturing techniques in conjunction with the Oregon Manufacturing Extension Partnership. The Partnership provides technical assistance, consulting expertise, and customized training for Oregon manufacturing firms working to improve their competitiveness through specific process or product innovations.

Second, identifying, developing, and promoting industry clusters is also an important component of the division's industry outreach. To date, the state has identified 11 industry clusters ranging from food processing to metals manufacturing to bioscience. Departmental staff members map clusters' inter-industry and institutional relationships, and hold roundtables with business representatives to discuss unique challenges and opportunities in each traded cluster.

Third, the division supports two specialized sector agencies—one in art and culture, and another in film and video.

- **The Oregon Arts Commission and Oregon Cultural Trust** administer both federal (National Endowment of the Arts) and state investments in arts and culture. In addition to supporting specific arts installations, shows, events, and artists themselves, the Commission provides arts information for citizens, businesses and tourists and works with regional and local arts and culture Commissions and organizations. The arts and culture industry is big business itself, and enhances the state's business climate overall.
- **The Oregon Film and Video Office** promotes the film industry in Oregon, markets Oregon locations to foreign and out-of-state production companies, and encourages the growth and development of a small but high-caliber film industry in the state.



SMALL BUSINESS SERVICES AND FINANCE

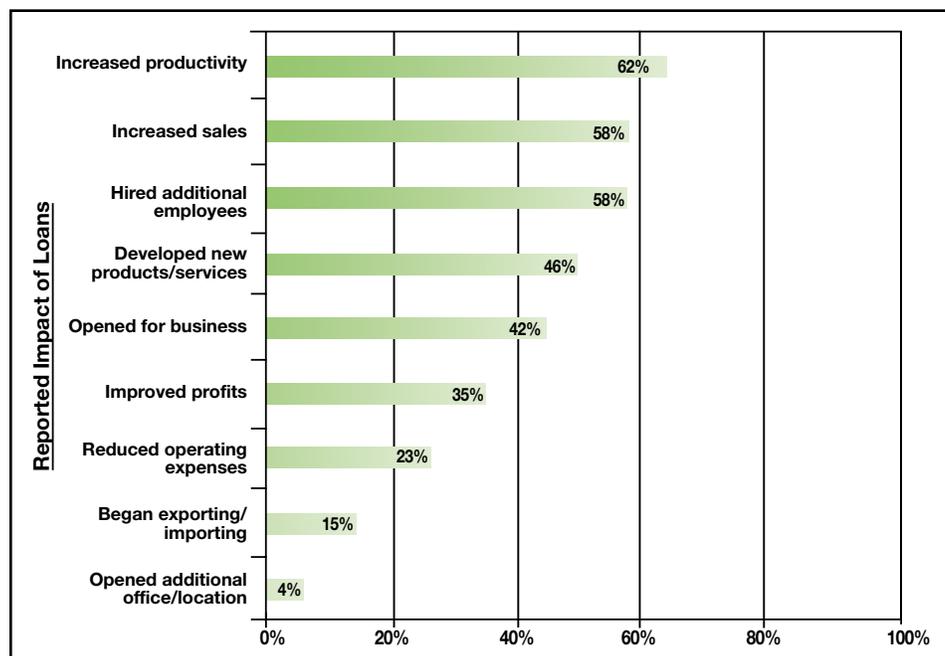
Delivering programs and services to small business—the creators of two of every three new jobs in the state—is another important component of OECD's work. In recruiting larger firms into the state, OECD is mindful of the kinds of small firms that would benefit as suppliers to them—and helps make those connections. As well, the Department offers programs and services to small firms directly in an effort to support their growth. This top-down-bottom-up approach to small business insures that economic development resources and opportunities are maximized and aligned, and their benefits shared.

OECD programs offer both technical and financial assistance to Oregon firms:

- **Business finance programs** work with banks and financial institutions across the state to make capital available to entrepreneurs seeking to start or grow their ventures—particularly those unlikely to qualify for direct loans through their business or personal financial institutions.

Increasing Sales, Productivity Common Actions After Receiving State Assistance*

FY 2004, n=26



*OECD Small Business Program Evaluation 2004;
Campbell DeLong Resources, Inc.

In Oregon, Small* Business is Big Business

98% of firms in the state are small firms, and 51% of Oregon's workers are employed by them.

Oregon ranks 11th in small business creation—and eighth in the percentage of successful women-owned firms, big or small.

**Employing 99 or fewer employees*

- **Small business services** are available through 19 Small Business Development Centers and 11 targeted service providers with which the Department maintains service contracts. The Centers provide training, consulting, and direct assistance on all aspects of running a small business. Targeted service providers support and grow minority and women-owned firms.
- **Assistance with international trade** is available through the Department's International Division, which targets small and medium-sized firms looking to expand into overseas markets.
- **The Governor's Small Business Council**, staffed by the Department, provides opportunities for small business owners to communicate with public- and private-sector leaders and decision-makers on key policy issues. The Council works closely with OECDD on regulatory streamlining and legislation affecting Oregon's small enterprises.

The Department is currently working with its many statewide partners—including chambers of commerce, small and minority business associations, and other providers of services to small business—to improve access to business assistance, networking opportunities and research and development for Oregon's small firms.

Together, the finance programs, sector work, and small business services comprise important building blocks of the Department's efforts to grow Oregon business and create Oregon jobs.

Results. The Division's 12 Business Development Officers provided technical assistance to nearly 700 firms during 2004. Strategic Reserve Fund and industry outreach programs assisted another 800 firms. In 2004, the Department's business and industry programs helped create nearly 4,000 Oregon jobs, and retain another 2,500.

As a result, 6,362 more Oregonians earning a combined \$137.3 million are working today.

INFRASTRUCTURE AND CERTIFIED INDUSTRIAL LANDS

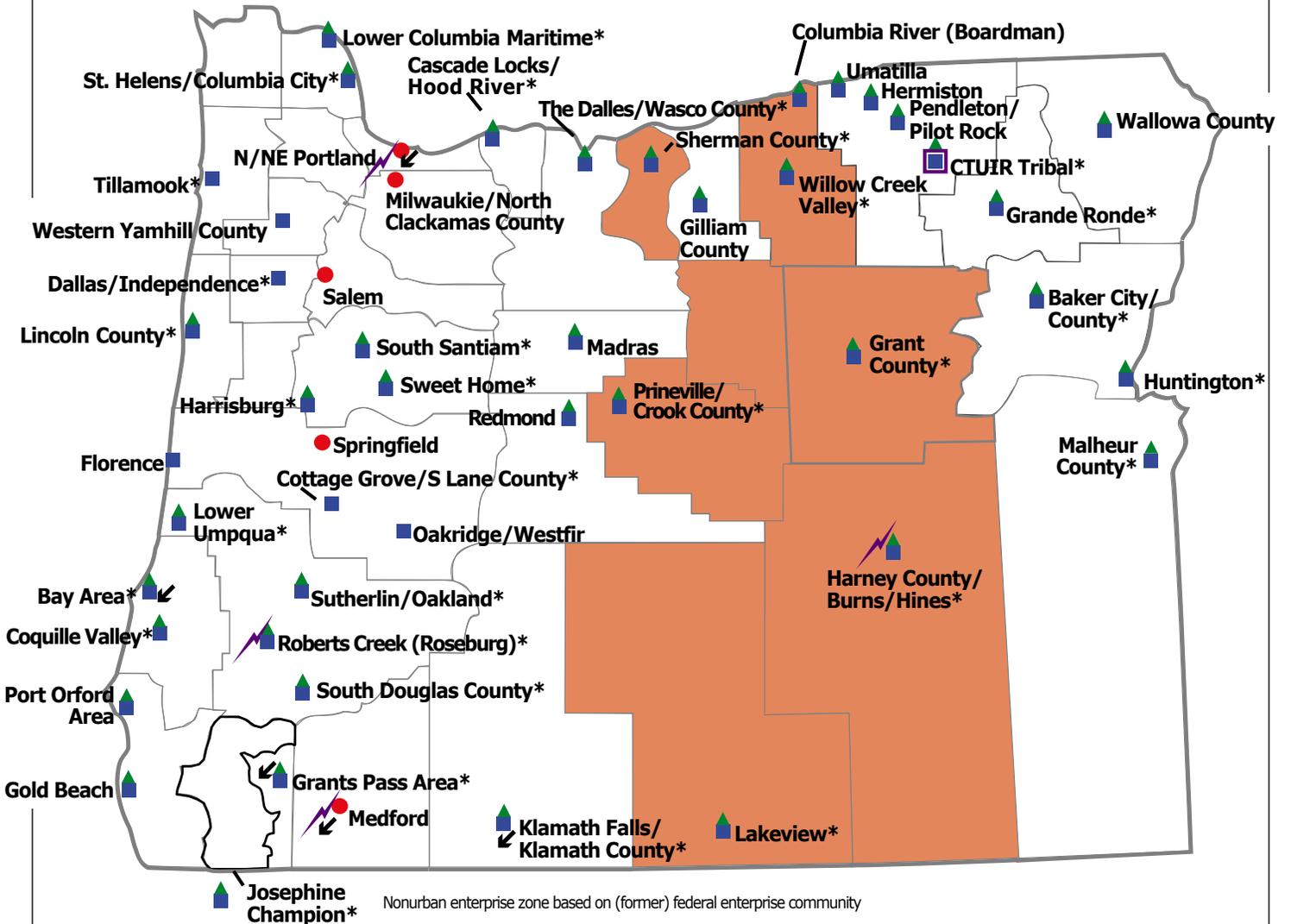
The Department's Capital Projects and Community Development Divisions manage a number of programs aimed at improving the physical infrastructure of Oregon communities. Publicly-financed physical infrastructure—roads, water and sewer lines and treatment facilities, piers and ports, energy and communications, and public buildings—helps Oregon's communities grow and attract today's business, while laying a foundation for the businesses of tomorrow.

Oregon Enterprise Zones

January 2005

State Enterprise Zones

- Urban
- Nonurban
- Reservation
- ⚡ Electronic Commerce Designation: Special Tax Credit
- ▲ Zone Eligible for Long-term Rural Tax Incentives (subject to change)
- * Hotels/Resorts Eligible for Regular Exemption in all or some of the zone jurisdictions
- Business Development Taxable Income Exemption available, too
- ↙ Contains site(s) of federal Foreign-Trade Zone



“We performed due-diligence in over 100 communities nationwide. No one was even a close second.”

Steve Boehme, Executive Vice-President General Manager of Wachovia Corporation Contact Centers, upon launching a new call center in Salem in 2004.

To achieve these goals—increased business opportunity and expanded economic capacity—Infrastructure and Certified Industrial Lands programs focus on:

- **Providing public infrastructure**—including loans, grants or bonds for publicly-owned communications, energy, power, transportation, water or wastewater access
- **Identifying project-ready industrial sites** and certifying them for immediate development
- **Assisting local communities** with economic development through cross-agency and public-private partnerships aimed at improving local economies, and by enhancing local administrative and technical capacity to deliver economic and workforce services and support to individuals, firms, and communities

The Department manages a range of capital programs that finance business infrastructure and build community capacity.

- **The Brownfields Redevelopment Fund** supports work ranging from site assessments to clean-up on properties where environmental contamination is a barrier to development or redevelopment.
- **Community Development Block Grants**, a federal program administered by OECDD, supports construction or infrastructure improvement benefiting low- and moderate-income Oregonians.
- **The Special Public Works Fund** supports construction or infrastructure improvements linked to manufacturing and other targeted-sector industrial or commercial development.
- **The Port Planning and Marketing Fund** supports planning and marketing activities aimed at improving commerce and trade capacity.
- **The Water/Wastewater Fund** supports construction and/or improvement of water and wastewater systems to meet state and federal standards.
- **The Safe Drinking Water Fund** offers low-cost financing for construction and/or improvements of public and private water systems.
- **The Oregon Port Revolving Fund** provides loans for construction and/or improvement of facilities and infrastructure that promote maritime shipping, aviation and commercial activities of ports.
- **The Marine Navigation Improvement Fund** provides the matching funds needed for a project that has received funding from the U.S. Army Corps of Engineers; projects that directly support or provide access to a federally authorized navigation improvement project.

Among the newest capital project initiatives is the **Certified Industrial Lands Program**. Launched in June 2004 as a result of Oregon House Bill 2011, this program requires the state to establish a comprehensive inventory of industrial property available for development; and, in addition, certify 25 specially-designated “Opportunity Sites” as “project-ready”— i.e., available for buyers seeking to break ground in six months or less.

Oregon’s **Economic Revitalization Team** (ERT) plays a key role in the Certified Industrial Lands program. ERT members work with property owners, realtors, and municipalities interested in developing sites, with local government on zoning issues, and with the staff of state and federal agencies responsible for the protection of wetlands, endangered species, and cultural assets to determine the development potential of vacant sites. Sites deemed appropriate for development are certified and placed in the statewide industrial property inventory. The program closes the gap between what buyers need to know and what sellers can offer, accelerating (and sometimes making possible) new commercial development on previously vacant sites.

When select properties are certified as “project-ready,” the Department aggressively markets them both to site selectors and directly to firms seeking to grow, expand or relocate.

While the certification program is still new, it has already established a remarkable track record.



“You cannot put a dollar value on having that [site] work done in advance. Don’t let anyone ever tell you that it was not money well spent . . . the work you provided gave our engineers a big head start on evaluating the site and really helped move this site forward in our process.”

Major national retailer’s real estate manager, regarding the certified industrial site in Lebanon.

In Linn County (Lebanon, Oregon), a 204-acre industrial site that had been vacant for more than 17 years was placed on state’s list of certified sites in late 2004. Concern over a wetlands area on the site detracted many would-be developers over the years. In January 2005, six months after the site was certified by OECDD staff, it was selected as the location for a major national retailer’s regional distribution center. When complete, the proposed facility will be one of the three largest buildings in Oregon. The project will employ 350 people during the construction phase, and another 400-750 once the facility opens for business.

Jackson County has also benefited from the Department’s new certification program. Despite a personal appeal from California Governor Arnold Schwarzenegger, *Amy’s Kitchen*, a California-based producer of vegetarian and organic frozen foods, announced in December 2004 that the company would open a 200-employee production plant near Medford, Oregon—on a certified industrial parcel.

To date, twenty-four sites have been certified—1,820 acres altogether. While the remaining eight “Opportunity Sites” require more labor-intensive assessment and clean-up efforts, the Certified Industrial Lands program has already delivered substantial economic benefit to Oregon communities.

Results. While capital projects do not create new businesses by themselves, they do make new business opportunities possible—by creating location options for current or aspiring business owners, and by leveraging the time, energy, and resources of local public and private investors. According to a national study conducted for the U.S Department of Commerce – Economic Development Administration, for every dollar of infrastructure investment, states can expect the following returns:

- 15 construction jobs are created immediately
- 327 direct permanent jobs are created over a six year period
- \$10 million in private sector investment is leveraged
- \$1 million in additional public sector investment is leveraged
- The local property tax base increases by an average of \$10 million
- State income tax revenues increase by \$440,000 annually

We expect the success of the Certified Industrial Lands program to increase these returns over time.

INTERNATIONAL BUSINESS DEVELOPMENT

The OECDD's International Division also focuses on the first two of the Department's key goals—increasing business opportunity and building economic capacity—but emphasizes the international dimension of business growth in the state. The International Division seeks to bring foreign investment to Oregon and introduce Oregon products and services to markets outside of the U.S. It offers a range of programs and services designed to help the state's small and medium-sized (non-agricultural) firms successfully compete in the global economy.

Oregon is improving its international connectivity—with new direct flights to Frankfurt, Germany (Lufthansa), Guadalajara, Mexico (Mexicana), and Tokyo, Japan (Northwest Airlines).

- **Consulting and Capacity Building Services** are available to Oregon firms on a range of issues—export planning, market selection, international distribution, and product certification.
- **Matchmaking Services** work with Oregon's overseas networks in China, Japan, Europe, South Korea and Mexico to identify agents and distributors for products of Oregon firms. OECDD staff also facilitates participation in foreign trade shows and organizes private trade missions.
- **Market Research** is also available. Working with the U.S. Export Assistance Centers and the OECDD's overseas networks, the Department helps Oregon firms access information about potential foreign markets for their products and services.
- **Foreign Investment Promotion** assistance was launched in 2003. The program targets Japan and Europe in an effort to identify firms with the potential to invest or expand in Oregon.



Bio-chemical research

Viewfinders

- **Oregon Trade Promotion Program** provides financial assistance to Oregon exporters attending foreign trade shows and participating in overseas missions.
- **Other assistance**—The International Division serves as the state’s primary liaison for visiting foreign diplomats and overseas trade missions, and a clearinghouse for Oregon firms seeking to identify foreign trade shows or events in which they could market their products and services, and staffs the state’s International Trade Commission.

Owing to major shifts in the economy and the increased importance of international trade relationships, the International Division will undergo a review in 2005. The objective is to assess the importance and impact of the Division’s programs and services, review performance management protocols relative to Division activities, identify newly emerging market opportunities, and consider the proper role of the state in facilitating international trade more generally.

While we are pleased to report more than \$17 million in new sales among Oregon firms assisted by the Division, we look forward to improving our services and increasing our value to Oregon based on the recommendations of the forthcoming study.



Port of Portland

REGIONAL AND RURAL COMMUNITY DEVELOPMENT

The Community Development Division supports development work at the regional and local levels by providing loans and grants to communities and assisting with customized training. It is one of the Department's primary vehicles for advancing the second of its key objectives—assisting communities in building their local economic capacity.

The Division manages the Regional and Rural Investment programs and provides community development assistance.

Focusing on job creation and retention, the **Regional and Rural Investment** programs seek to strengthen and diversify local economies. The programs rely on 13 Regional Investment Boards responsible for developing broad-based strategies and implementation plans in coordination with local businesses, communities, and tribes, as well as representatives from federal, state, and local government.

While regional/rural investment provides critical development infrastructure in less populated regions that lack local economic development organizations, it plays a different role in urban areas—helping to fill gaps and address equity issues in communities of need.

Most importantly, the program links local economic development plans and strategies to the state's overall approach to economic and community development—increasing the effectiveness and efficiency of development efforts at all levels.

The **Community Assistance** program provides technical and financial assistance to cities, counties, ports, tribes, special districts, community colleges, and local economic development groups seeking to improve the economic health of their communities.

Specifically, the program assists communities with:

- Strategic planning
- Community readiness assessments
- Workforce development
- Leadership training
- Downtown development planning

These services help Oregon's local communities advance the state's key objective: creating quality jobs for Oregonians.

"NW Oregon's partnership with OECDD is the cornerstone of Clatsop, Columbia and Tillamook counties' regional economic development. We work strategically and collaboratively on business development projects with the regional business development officer and regional coordinator, who provide invaluable technical support and financial resources to complete these projects."

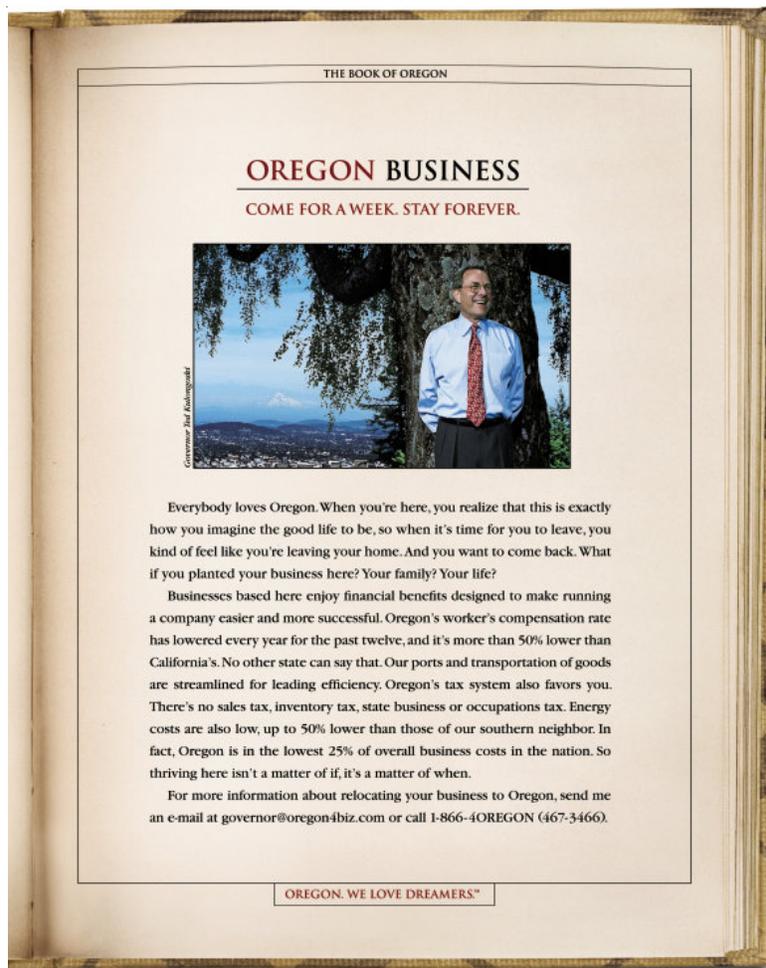
Shirley Kalkhoven, Chair,
NW Oregon Regional Partnership
Mayor of Nehalem

MARKETING AND COMMUNICATIONS

The Marketing and Communications Division is responsible for preparing promotional materials to market Oregon as a place to do business, whether it's expansion of an existing company or recruitment of a new business to the state.

In addition, division staff creates cluster-specific promotional materials; targeted newsletters for site selectors; and is working on a marketing initiative for certified industrial lands. This division also houses the Brand Oregon initiative, an integrated marketing program designed to elevate Oregon's image in order to sell more products and create new business opportunities.

Since OECDD may be considered the "sales and marketing" arm of the state, OECDD marketing and communications staff work with other agencies in state government as well as private-sector businesses to offer guidance in implementing Brand Oregon for their own marketing campaigns.



CENTRAL OPERATIONS SUPPORT SERVICES

The Central Operations Division supports the efficiency and effectiveness of the entire Economic and Community Development Department. This is important work without which the agency would not achieve its objectives.

Over the past two years, the Division has focused on accountability to the public, performance measurement and management, and effective and efficient customer service.

In meeting the Department's fourth key goal (improving service and measuring results), the Division has advanced two main initiatives: simplifying performance measures and improving the agency's contracting process.

The 2003 agency redesign process highlighted the challenge of juggling many diverse programs and twenty-two different performance measures. The agency's new strategic plan focused the agency on four clear priorities and fewer performance measures that better supported its goals. OECDD now maintains nine agency-wide performance measures including:

- Jobs created
- Jobs retained
- New sales of assisted (business) clients
- Sites/acres certified as "project ready"
- Number of community capital projects assisted (construction)
- Number of community capital projects assisted (planning)
- Number of identified traded sector industry clusters with active business development plans
- Number of patents per 10,000 Oregon businesses
- Overall customers satisfaction survey score (1-4)

Central Operations has also begun reinventing its contracts management process. The Department maintains a staff of three processing more than 500 contracts—including grants, loans, and purchases of services—per year. The division expects fewer grants to be awarded during the coming year, but more—and more complex—contracts. As a result, the division is revising its outdated "boilerplate" contract language and, guided by customer feedback, streamlining the contracting process itself.

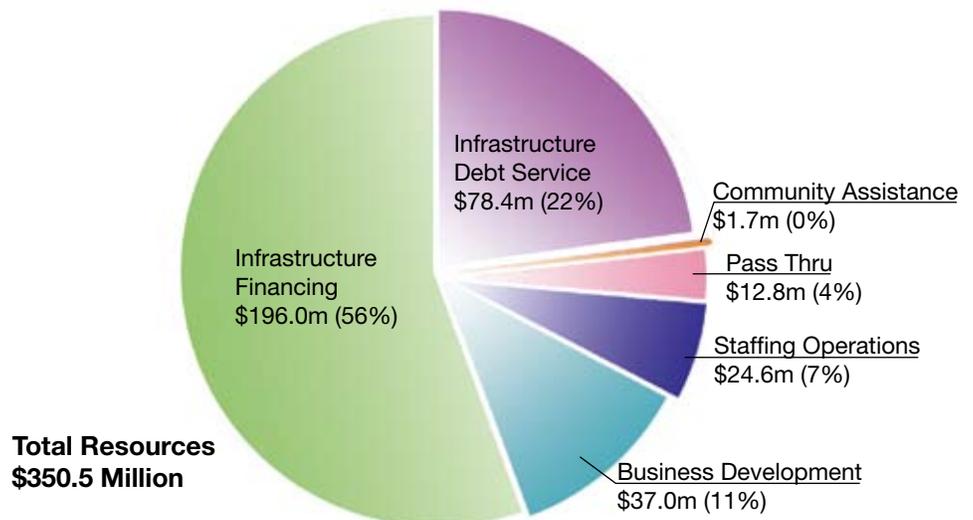
It expects this process to result in faster and more efficient contracting.

ALIGNING RESOURCES WITH GOALS

The Department’s current budget, approved by the Oregon legislature every two years, is \$350.5 million. More than a quarter of these resources (28.1%) derive from two sources: the federal government and infrastructure loan repayments.

Over half of the federal resources (55.2% on average) are targeted for specific infrastructure improvements or development projects. The loans funds are also restricted to infrastructure but can be used to attract other public or private sector resources that can support a broader array of complementary programs—workforce or community development, for example.

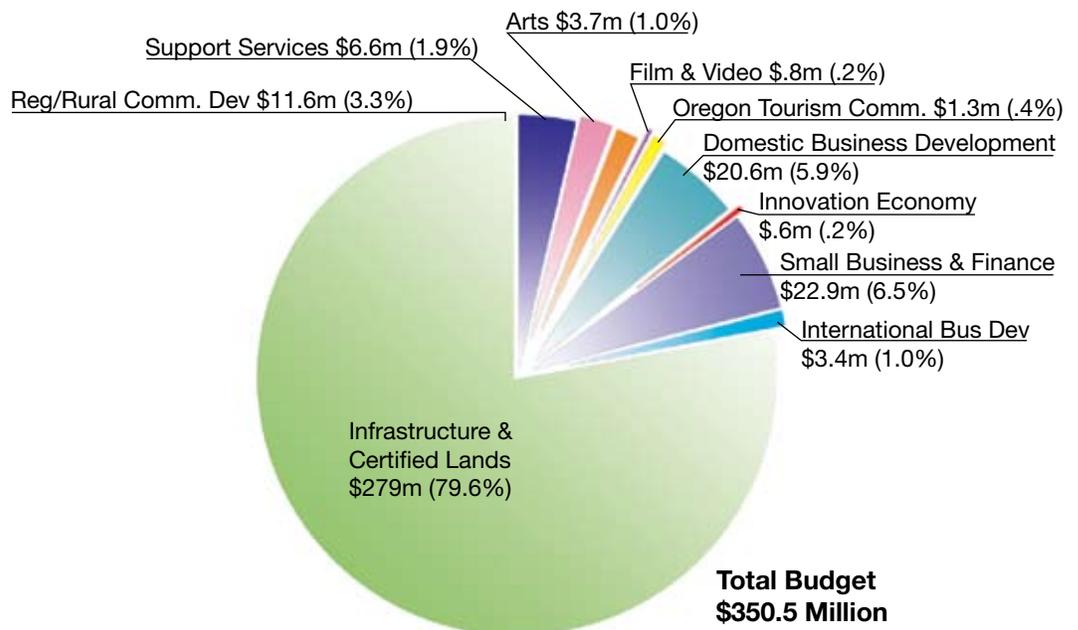
Oregon Economic & Community Development Dept. 2003-05 Legislative Adopted Budget – by Function



Other resources comprising the Department's total budget include:

- Direct lottery funds, lottery carry-over, lottery bond proceeds, revenue bond proceeds and business loan program revenues—totaling \$215.2 million, or 61.4% of the Department's current budget;
- Pass-through resources for which the Department serves as a state-level fiscal agent—the Oregon Cultural Trust, The Oregon Arts Commission, Oregon Tourism Commission and a variety of non-capital projects and programs—totaling \$35.7 million or 10.2% of the Department's current budget; and
- General Fund revenues totaling \$1.2 million or 0.3% of the Department's current budget.

Oregon Economic & Community Development Dept. 2003-05 Legislative Adopted Budget – Uses



2004 ANNUAL REPORT

The Department has allocated its resources across program areas as follows:

Infrastructure and Certified Lands	\$279.1 million	(79.6%)
Small Business and Finance	\$22.9 million	(6.5%)
Domestic Business Development	\$20.6 million	(5.9%)
Regional/Rural Comm. Dev	\$11.6 million	(3.3%)
Support Services	\$6.6 million	(1.9%)
Arts Commission	\$3.6 million	(1.0%)
International Business Development	\$3.4 million	(1.0%)
Oregon Tourism Commission	\$1.3 million	(0.4%)
Film and Video Office	\$0.8 million	(0.2%)
Innovation Economy	\$0.6 million	(0.2%)

The overwhelming majority of the Department's budget supports the development of infrastructure—capital projects—in Oregon communities. During the current biennium, these projects have been concentrated in the following areas:

Health and safety protection (64 projects)	\$59 million
Commercial or industrial site development (37 projects)	\$53 million
Community facilities (29 projects)	\$19 million
Transportation infrastructure (13 projects)	\$10 million
Other (e.g. telecommunications, 3 projects)	\$8 million

SUMMARY OF OECDD ACHIEVEMENTS

During 2004, the Department redesigned its performance management framework. The new framework reduced the number of performance measures by half, and simplified their definitions and reporting processes. The current nine measures are directly linked to the Department's four strategic goals. They reflect increased alignment across the Department's programs and divisions, and a renewed emphasis increasing the return on the agency's investments to Oregon taxpayers.

These measures, together with their associated targets and reported outcomes, are detailed in Table 1. One of the measures, customer satisfaction, requires baseline data derived from a new survey that is currently under development.

As the table illustrates, the Department is on track to achieve nearly all performance targets, despite having adopted a new performance framework in the middle of the biennium—targets for registered patents and traded sector business plans have already been achieved.

TABLE 1

MEASURE	2003-2005 TARGET	PERFORMANCE ACHIEVED (THROUGH 2004)
Total jobs created	11,050	10,285
Total jobs retained	5,950	4,690
New sales of assisted firms	\$48 million	\$32 million
Number of new industrial sites/acres certified "project ready"	50/4,500	22/1,820
Number of community capital projects assisted (construction)	100	93
Number of community capital projects assisted (planning)	90	53
Number of identified traded sector clusters with active business development plans	5 <i>*Another 6 are</i>	5* <i>under development.</i>
Number of patents per 10,000 Oregon businesses	160	166
Overall customer satisfaction survey score (1-4)	3.5	N/A



INTO THE FUTURE

The Oregon Economic and Community Development Department has initiated big changes in the way it does business—bringing a shared focus on creating quality jobs to all parts of the state.

More importantly, however, we are increasingly outward and future focused—seeking the advice of private-sector and community partners from across Oregon, and investing in Oregon’s industries of the future. This is a necessary path to success for the state—it is the private sector that ultimately creates jobs and the public sector that insures a healthy business climate where growing firms seek to locate. The two work better together than either one works alone.

We have carefully crafted a strategic plan and performance framework that aims to help us realize such a climate—from Klamath Falls to Astoria to Brookings to Ontario. We have called on Oregon’s generous and creative leaders, workers, and communities to help, and they have stepped up. We are collectively moving ahead with our workplan, and measuring our results.

This is OECCD’s business—and we have never worked harder at it.

The citizens of Oregon deserve our best. And we’re delivering it.

THE OREGON ECONOMIC AND COMMUNITY DEVELOPMENT COMMISSION



E. WALTER VAN VALKENBURG, CHAIR

Portland

Appointed Sept 2003 / Term expires 2005

Wally Van Valkenburg is a partner at Stoel Rives LLP, where he chairs the firm's Technology and Intellectual Property Practice Group. He acts as principal outside counsel to a number of clients and has represented clients in a wide variety of transactions, disputes and other matters. Wally's industry experience includes health care, electric utilities, wood products, retail, sports and entertainment, as well as technology.

Wally is a board member for the Oregon Sports Authority and for Portland Center Stage. He is past chair of Multnomah County Legal Aid Services; past chair of the Oregon State Bar Section on Antitrust, Trade Regulation and Unfair Business Practices; and past president of the American Civil Liberties Union of Oregon. He also served as General Counsel for the 1998 NIKE World Masters Games. Wally received his B.A. cum laude from University of Washington; J.D. summa cum laude from Willamette University College of Law; and LL.M. from Columbia University School of Law.



PAMELA HULSE ANDREWS

Bend

Appointed Sept 2003 / Term expires 2005

Pamela Hulse Andrews is the CEO of Cascade Publications in Bend, Oregon. The company's primary focus is the publishing of the Cascade Business News, Cascade Arts and Entertainment, and the Cascade Discovery. Her expertise includes nearly 25 years of hands-on experience of designing, marketing, writing and publishing from numerous aspects of the business community. She is on the board of directors of the Deschutes United Way, the Redmond Chamber of Commerce, the Boys & Girls Club of Bend, the Tower Theatre Foundation and the city of Bend's Arts, Beautification and Cultural Commission.



NANCY L. TAIT

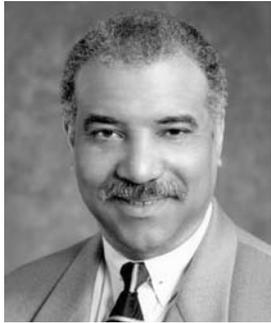
Medford

Appointed Sept 2001 / Reappointed 2003 / *Term expires 2007*

Nancy L. Tait is President and CEO of Tait & Associates, providing strategic multi-channel marketing, merchandising and branding consulting to direct marketers and specialty retailers. She serves on the Board of Directors for the Direct Marketing Association.

Ms. Tait is also President of the Oregon Shakespeare Festival Board of Directors, and serves on the Southern Oregon University Advisory Board.

Tait was President and CEO of Bear Creek Corporation (including the Harry and David and Jackson & Perkins brands) from 200-2004, retiring from the company with more than 16 years of service. Nancy's extensive direct marketing and retail business experience includes work with the Eddie Bauer Company and the Bon Marche. She is a past member of the Oregon Internet Commission, the Southern Oregon Public Television Board of Directors, and the board of Yamanouchi Consumer Inc.



CARL TALTON

Portland

Appointed Sept 2000 / Reappointed July 2001 / *Term expires 2005*

Carl Talton is the Vice President for Government Affairs and Economic Development for Portland General Electric. Prior to joining Portland General Electric, Carl served as General Business Director for PacifiCorp's electrical operations in Montana, Washington and northern Oregon.

Talton served as a board member of the Portland Development Commission from 1987-2002, and was board chair from 1995-1999. He now is a board member for several community organizations including Northeast Community Development Corporation, Oregon Association of Minority Entrepreneurs, United Way of Columbia-Willamette and the Mayor's Roundtable.



TONY HYDE

Vernonia

Appointed April 2004 / *Term expires 2007*

Tony Hyde is a Columbia County Commissioner and has been serving since 1996. Tony spent over 20 years in the forest industry.

Hyde has an extensive economic development background including Mayor of the city of Vernonia; he's served on the boards of the Columbia Pacific Economic Development Council, Northwest Oregon Economic Alliance and Association of Oregon Counties; and served on the Governor's Community Development Forum, Council of Forest Trust Lands, Forest Trust Lands Advisory Committee and the National Association of Counties Economic Development Steering Committee. Additionally, Tony he has been involved in the arts, both as a working artist and art instructor for over 30 years.

STAFF CONTACTS



Marty Brantley

L. MARTIN 'MARTY' BRANTLEY

Martin Brantley began serving as director of the Oregon Economic and Community Development Department in January 2003. Brantley was a long-time Portland-area television executive and recognized community leader for nearly 30 years. He was president and general manager of KPTV-TV in Portland, Oregon, from 1983 until his retirement in 2000. During the last two years of his tenure, KPTV won 28 national and international awards including the prestigious Peabody Award.

LYNN BEATON

Lynn Beaton manages OECD's Central Operations Division. She previously served as the department's Regulatory and Natural Resource Advisor, assisting businesses to comply with state and federal regulations. Beaton has broad experience in Oregon state government, having worked for its Division of State Lands, Department of Land Conservation and Development, Water Resources Department and Office of Legislative Counsel.

MICHAEL BURTON

Mike Burton is the Community Development Division manager of the Oregon Economic and Community Development Department. As such he is part of the senior management team. He was promoted to Salem, in part, to bring his regional perspective to headquarters. That perspective is the result of five years as a liaison between the department and its business and community customers and 10 years before that as a customer of the department doing economic development work in central and eastern Oregon.

RON FOX

Ron Fox, Business Development Division manager for the Oregon Economic and Community Development Department, joined the agency in 2000. Fox has more than 20 years of experience in economic development work in Oregon. He worked 28 years at PacifiCorp, serving 10 years as manager of operations and customer service, and eight years as director of community and economic development, overseeing economic development issues across the United States.

SARAH GARRISON

Sarah Garrison, Capital Projects Division manager at the Oregon Economic and Community Development Department, joined the agency in 1998. Her private and public sector experience in research, public policy analysis, planning and project management gives her a unique skill set perfectly matched to manage the large capital improvement and development projects of the agency.

STATUTORY DIRECTION

Several state statutes govern OECD's mission and programs. Indexed by agency program, the statutes are as follows:

DOMESTIC BUSINESS DEVELOPMENT

ORS 285A.020(1)(b): Legislative finding that the state needs continuing economic development to help provide the jobs for its citizens that lead to community vitality and a high quality of life.

ORS 285A.020(4)(c): Legislative declaration that it is the immediate economic strategy of the state to assist start-up companies and companies already doing business in Oregon.

285A.075: Directs department to foster the most desirable growth and geographical distribution of agriculture, industry and commerce in the state, and to serve as a central coordinating agency and clearinghouse for activities and information concerning resources and economy of the state.

ORS 285A.090: Directs department to:

(2)(c) Work with local governments and the private sector as they establish and carry out economic and community development plans and programs;

(3) Process requests for information about industrial and commercial locations and relocations;

(4) Consult with and advise, coordinate activities of, and give technical assistance and encouragement to state and local organizations interested in obtaining new industrial plants or commercial enterprises;

(5) Coordinate state and federal economic and community development programs;

(6) Coordinate state and federal economic development programs;

(9) Collect and disseminate information about the advantages of developing new business and expanding existing business in the state; and

(11) Work actively to recruit domestic and international business firms to those communities that desire such recruitment.

SMALL BUSINESS SERVICES

ORS 285A.224: Allows the department to allocate moneys from the Economic Stabilization and Conversion Fund for business retention service.

ORS 285A.346: Authorizes department to purchase business assistance services for small businesses in the state.

Legislative directives to focus on the following groups when providing small business services:

ORS 285A.045(1)(i): microenterprise businesses in Oregon;

ORS 285A.095: distressed communities; and

ORS 285A.340(2)(a): businesses owned by women and minority groups.

ORS 285B.165—171: Establishes a statewide network of small business development centers to which the department provides funding.

INNOVATION ECONOMY

Ch. 519, Oregon Laws 2001 §§ 1 to 7 (SB 273): Establishes Oregon Council for Knowledge and Economic Development, which transferred authority to the department through a memorandum of understanding in 2004.

INTERNATIONAL BUSINESS DEVELOPMENT

ORS 285A.090: Directs the department to establish and operate foreign trade offices in those foreign countries in which the department considers an office necessary.

ORS 285A.131: Establishes International Trade Commission (ITC).

ORS 285A.133: Establishes duties and functions of ITC.

INFRASTRUCTURE & CERTIFIED LANDS

ORS 285A.185—188: Creates Brownfields Redevelopment Fund.

ORS 285A.213: Establishes Safe Drinking Water Revolving Loan Fund.

ORS 285A.300—312: Establishes Title 1 Bank Fund for Community Development Block Grant Program.

ORS 285A.600—711: Establishes Ports Division.

ORS 285B.410—599: Guides funding of infrastructure projects.

ORS 285C.450—480: Allows Department to designate vertical housing development zones.

Ch. 800, 2003 OR Laws [HB 2011 §§10—12]: Creates certified lands program

REGIONAL/RURAL COMMUNITY DEVELOPMENT

ORS 285A.483—489: Establishes Rural Revitalization and Leadership Development Program.

ORS 285B.230—269: Regional Economic Development Act

BUSINESS FINANCE

ORS 285A.045: Identifies duties of the department.

ORS 285A.060: Authorizes creation of the Financial Committee for the Oregon Economic and Community Development Commission, which oversees the loan and bond activity for Business Finance.

ORS 285B.050—098: Creates the Oregon Business Development Fund (a subordinate loan program).

ORS 285B.126—150: Establishes the Oregon Capital Access Program (a bank loan loss reserve program).

ORS 285B.200—218: Creates the Oregon Credit Enhancement Fund (a bank loan guaranty program).

ORS 285B.320—377: Establishes Oregon Industrial Revenue Bond Program (qualified tax exempt bonds).

ORS 285B.740—758: Creates the Oregon Entrepreneurial Development Loan Fund (start-up loan fund).

ORS 285C.600—620: Establishes the Oregon Strategic Investment Program (large project property tax exemption).

OREGON ARTS COMMISSION

ORS 276.073—090: Art Acquisition for State Buildings.

ORS 359.020—142: Establishes Oregon Arts Commission and the Arts Program of the Economic and Community Development Department.

ORS 359.400—444: Establishes Trust for Cultural Development.

OREGON

ECONOMIC & COMMUNITY DEVELOPMENT DEPARTMENT

