



FY 2007
ANNUAL REPORT
OREGON ECONOMIC & COMMUNITY DEVELOPMENT COMMISSION

Consistent with the reporting requirements of ORS 285A.050, this report describes the mission and goals of the Oregon Economic and Community Development Department and provides results for key performance measures for the 2007 fiscal year (July 2006–June 2007).

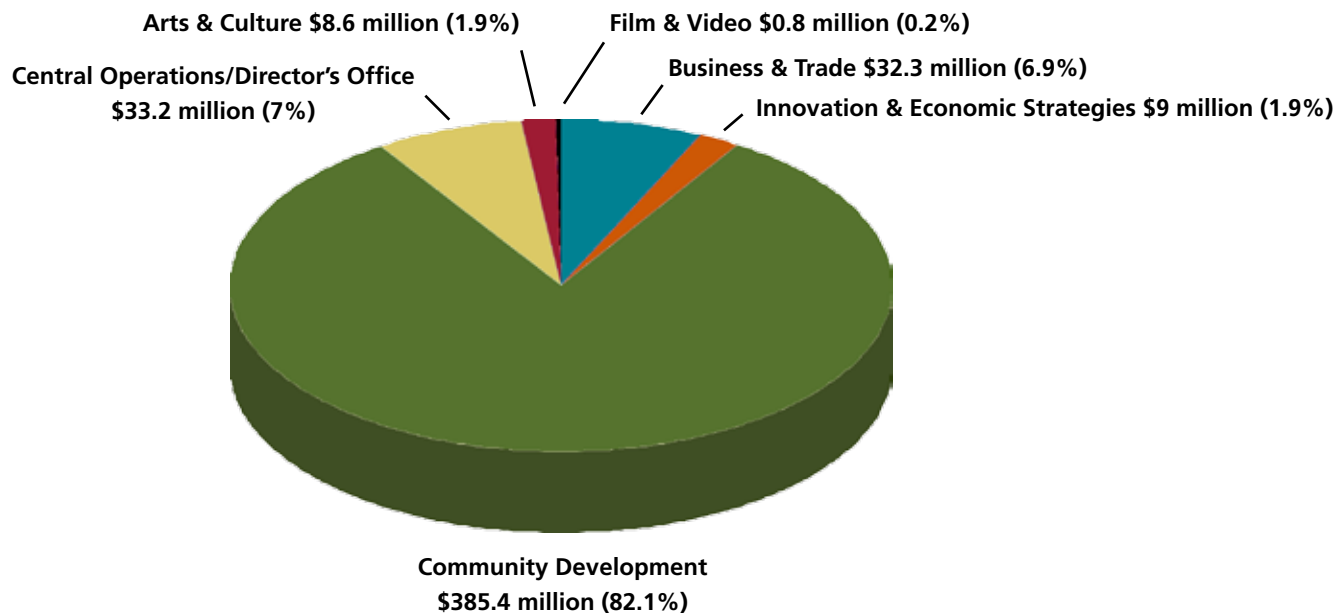
MISSION

The mission of the Oregon Economic and Community Development Department (OECD), the state's lead economic development agency, is to advance the economy of Oregon.

To fulfill this charge, OECD organizes its work around three goals:

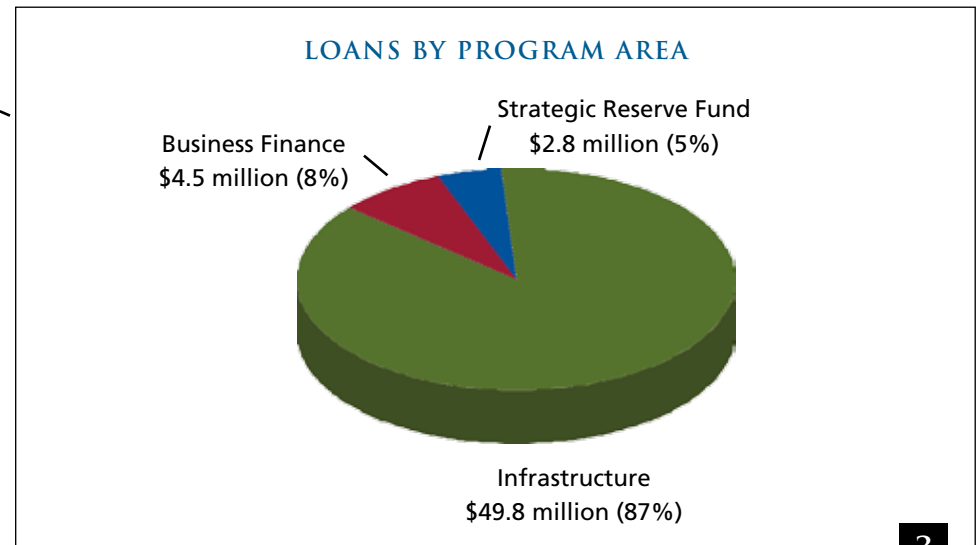
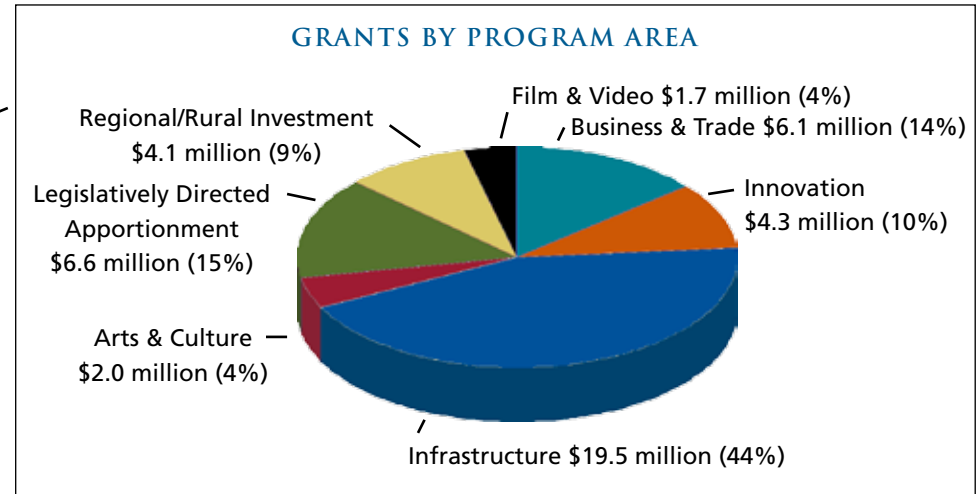
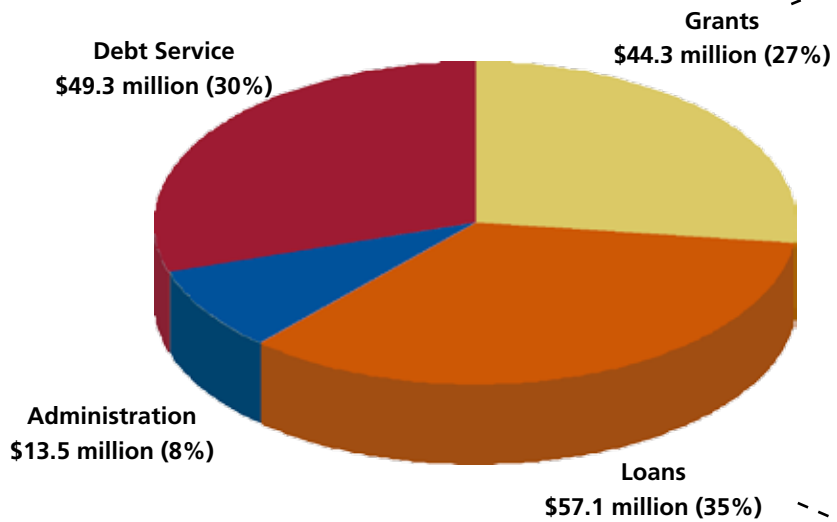
- Promote a favorable investment climate intended to strengthen businesses, create jobs and raise wages
- Assist Oregon communities to retain, expand and attract new business
- Improve the national and global competitiveness of Oregon firms and industries

2005–2007 BIENNIAL (TWO YEAR) BUDGET BY DIVISION TOTAL: \$469.3 MILLION



FY07 (ONE YEAR) EXPENDITURES

TOTAL: \$164.2 MILLION



The department measured nine key performance indicators that reflect the Legislature’s strategic priorities. Progress on these indicators is summarized in the table. Additionally, the department tracked the average wage of jobs affected by its programs, which was \$37,078.13 for FY07.

KPM #	Key Performance Measures (KPMs) Department Results for July 2006–June 2007	Results
1	Jobs created —increase in employment by firms participating from OECD programs (projected from new projects in the fiscal year)	4,041
2	Jobs retained —total jobs retained by firms participating from OECD programs (projected from new projects in the fiscal year)	3,884
3	Export sales —the growth in sales among Oregon firms assisted directly by OECD programs	\$42.2M
4	Industrial site certification —number of new industrial sites/acres certified “project ready”	6 sites 297 acres
5	Infrastructure construction ¹ —number of community capital projects assisted for construction	37
6	Infrastructure planning ¹ —number of community capital projects assisted for planning	56
7	Cluster business plans —number of identified traded-sector industry clusters with active business development plans	12
8	Patents —per 10,000 Oregon businesses	195*
9	Customer service —percent of customers rating their experience with the agency as “good” or “excellent”	88%

*Numbers as federally reported for 2006.

¹Thirteen projects were added to the database after the internal 2007 Annual Performance Progress Report (APPR) was published.



BUSINESS & TRADE DEVELOPMENT

Business and Trade Development Division promotes business growth, retention and job creation by removing barriers to industry growth and addressing common industry needs. Services include financing, global market access and administration of the Strategic Reserve Fund (SRF), Strategic Investment Program, incentive programs, business finance programs and the Industry Sector Outreach (ISO) Fund. Many of these services are delivered by business development officers, highly trained specialists who serve as liaisons to Oregon firms. Business and Trade activities for the 2007 fiscal year are captured in figure 1.

The Business Finance Team provide a range of financing services to businesses and lending partners. Services include revolving loan funds for working capital and term loans; loan guarantees on bank loans; loans for start-up businesses; tax exempt bond financing for manufacturers; and much more.

- **Oregon Business Development Fund (OBDF)** leverages private capital and provides an incentive for businesses to expand or locate in Oregon. [more information](#)
- **Oregon Capital Access Program (CAP)** provides a form of loan portfolio insurance so banks may make business loans that carry higher than conventional risks while complying with federal and state banking regulations. [more information](#)
- **Oregon Credit Enhancement Fund (CEF)** provides loan guarantees to banks in order to increase capital availability to small businesses. [more information](#)
- **Oregon Industrial Development Bonds (IDB)** are available to manufacturing projects, exempt facilities and non-profit organizations to help in the creation of employment and access to capital primarily for value-added manufacturing. [more information](#)

FIGURE 1

Business Development Performance Results					
Program	# Projects	Total Investment	# Jobs Created	# Jobs Retained	Average Wage
SRF [†]	31	\$4,539,666	1,685	793	\$49,552
SBDCN	n/a	\$1,367,527	568	602	\$29,474
TSP	n/a	\$768,035	534	597	\$26,630

Program	# Projects	OECD Funds	Total Match	# Jobs Created	# Jobs Retained
ISO	16	\$384,250	\$1,059,203	n/a	n/a

Job numbers are projected from new projects in the fiscal year
 SBDCN: Small Business Development Center Network
 TSP: Targeted Service Providers

FIGURE 2

Business Finance Performance Result						
Program	2007 OECD Program Dollars	Total Leveraged Project Funds	# of Loans Closed	# Jobs Created	# Jobs Retained	Average Wage
OBDF	\$4,324,544	\$34,338,379	13	218	403	\$33,248
CAP	\$217,174	\$6,198,380	67	102	467	\$26,910

Program	Program Note	Total Amount	# Jobs Created	# Jobs Retained	Average Wage
CEF	30 New/Renewed Guarantees	\$7,312,225	13	40	\$29,684
IDB ^{2†}	5 of bonds closed	\$22,100,000	155	176	\$37,122

Job numbers are projected from new projects in the fiscal year
²Reporting is voluntary, therefore not all projects reported job creation/retention statistics

[†]All duplicate job credit from shared projects was removed from the department-wide total for the internal 2007 Annual Performance Progress Report (APPR). SRF, SPWF, RR and IDB have some shared projects for which a method is not in place to split the credit for jobs between programs. While such a method could marginally alter the program-specific job counts, their overall effect on the department-wide job total was accounted for in the APPR and amounts to 3% of the job total.

COMMUNITY DEVELOPMENT

The Community Development Division assists communities with developing their infrastructure and facilities and addressing their economic needs by creating fiscally responsible funding solutions in a timely manner.

Community Development has six goals:

- Assist landowners to create market-ready industrial sites
- Provide infrastructure financing on a timely basis
- Provide local communities with economic development tools and resources
- Deliver services efficiently and effectively
- Advance ports' efforts to promote economic development
- Promote capacity building, emphasizing rural and distressed areas

Funding programs available to assist communities include:

- **Community Development Block Grant (CDBG) Program** funds a variety of community facilities, public works projects, housing rehabilitation, services to microenterprises and other businesses where the proposed project will primarily benefit low- and moderate-income persons. [more information](#)
- **Water/Wastewater (W/WW) Financing Program** provides technical assistance and construction financing for public water and wastewater systems that are needed to meet state and federal water quality standards. [more information](#)
- **Special Public Works Fund (SPWF)** finances technical assistance and construction projects needed to support industrial, manufacturing and certain types of commercial development. [more information](#)
- **Safe Drinking Water Revolving Loan Fund (SDWRLF)** offers low-interest financing for construction and improvement of public and private water systems. [more information](#)
- **Brownfields Redevelopment Fund** assists with activities ranging from site assessment to cleanup of properties where known or suspected environmental contamination is a barrier to redevelopment. [more information](#)



- **Port Revolving Fund (OPRF)** finances construction/improvement of facilities and infrastructure that promote maritime shipping, aviation and commercial activities of ports. [more information](#)
- **Port Planning and Marketing Fund (PP&MF)** assists with planning and marketing activities to improve a port's trade and commerce capacity. [more information](#)
- **Marine Navigation Improvement Fund (MNIF)** provides the matching funds needed for a project that has received funding from the US Army Corps of Engineers. Projects must directly support or provide access to a federally authorized navigation improvement project. [more information](#)
- **Regional/Rural Investment Program (RRIP)** supports the work of 13 regional investment boards to help local officials expand and diversify their economies. [more information](#)

FIGURE 3

Community Development Performance Results

Program	# of Projects	Loans	Grants	Total Funds Awarded	# Jobs Created	# Jobs Retained	Average Wage
CDBG	26	n/a	\$10,098,117	\$10,098,117	n/a ³	n/a	n/a
SDWRLF	3	\$10,920,900	n/a	\$10,920,900	n/a	n/a	n/a
SPWF [†]	40	\$36,975,830	\$2,216,416	\$39,192,246	267	40	\$38,466
W/WW	12	\$5,710,000	\$1,116,000	\$6,826,000	n/a	n/a	n/a
Brownfields	5	\$2,970,000	\$57,953	\$3,027,953	n/a	n/a	n/a
PP&MF	7	\$0	\$166,063	\$166,063	n/a	n/a	n/a
RRIP [†]	n/a	n/a	\$3,498,783	\$3,498,783	504	757	\$36,493
Total	93	\$56,576,730	\$17,153,332	\$73,712,062	801	797	\$101,035

Job numbers are projected from new projects in the fiscal year

N/A: This program does not use job creation/retention as a measure of performance

³One project voluntarily tracked job creation; 30 jobs created

FIGURE 4

Community Development Program Highlights

Program	Active Projects	Completed Projects	Total Project Awards
Brownfields	5	0	\$984,900
CDBG	73	20	\$38,271,962
SPWF	120	27	\$182,048,946
W/WW	48	14	\$49,757,634
SDWRLF	23	5	\$61,498,573
MNIF	3	0	\$28,150,000
ORPF	3	0	\$2,112,500
PP&MF	7	0	\$148,187
Total	282	66	\$362,972,702



INNOVATION & ECONOMIC STRATEGIES

The Innovation and Economic Strategies Division researches and implements forward-looking strategies to advance Oregon's economy. Its work is organized around mutually supporting functions:

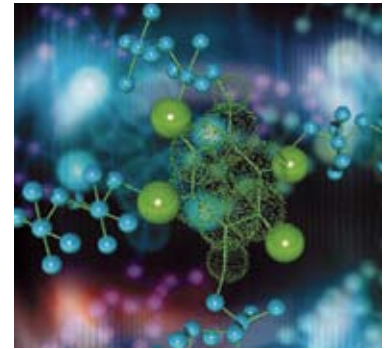
- Innovation-based economic development
- Economic research and analysis
- Staff support for the Oregon Innovation Council (Oregon InC)

Oregon InC is the cross-sector leadership team formed in 2005 by the Governor and Legislature to drive the state's innovation strategy. The council's mission is to expand markets for Oregon companies, create jobs across the state and leverage Oregon's strengths to compete in the global economy. Oregon InC has identified Oregon's top innovation-driven growth opportunities to maximize the state's competitive advantages and establish Oregon's niche in the global economy.

In June 2007, the Legislature approved a \$28.2 million package for Oregon InC to invest in seven projects that support innovation in both established and emerging industries, including:

- Manufacturing Competitiveness Initiative
- Food Processing Initiative
- Seafood Industry Initiative
- Wave Energy Initiative
- Oregon Nanoscience and Microtechnologies Institute (ONAMI)
- Oregon Bio-economy and Sustainable Technologies Center (BEST)
- Oregon Translational Research and Drug Development Institute (OTRADI)

Visit the [council's Web site](#) for more information about the council and a description of investments.



2007 OREGON ECONOMIC & COMMUNITY DEVELOPMENT COMMISSION

E. Walter Van Valkenburg, Chair

Pamela Hulse Andrews

Nancy L. Tait

Carl Talton

Tony Hyde

Steve Emery

Rep. John Lim, Ex Officio

Sen. Betsy Johnson, Ex Officio

Visit our [Web site](#) to see 2008 commission membership.

OREGON

ECONOMIC & COMMUNITY
DEVELOPMENT DEPARTMENT

Bob Repine, Director

775 Summer St, NE, Suite 200

Salem, OR 97301-1280

<http://econ.oregon.gov> • <http://www.oregon4biz.com>

503-986-0123