

Agenda Item No:	C
Title and # of Issue:	Forest Vitality - Issue 3
Objective and Title:	Objective 1 – Enhancing the Forest Sector Economy
Date of Presentation:	July 24, 2008
Contact Information:	David Morman, Director Forest Resources Planning Program 503-945-7413 dmorman@odf.state.or.us

SUMMARY

The purpose of this agenda item is to provide the Board with an update on the advancement of an Oregon forest cluster economic development strategy.

The Department of Forestry, Oregon Forest Resources Institute, Oregon State University College of Forestry, and Oregon Economic and Community Development Department have been working together since the fall of 2007 to craft a comprehensive forest sector strategy. Draft recommendations have been developed and the four agencies are coordinating with the Governor's Office and private stakeholders to incorporate these recommendations into Oregon's overall economic development priorities.

CONTEXT

The goal of the Board's Forest Vitality Work Plan is to encourage public and private landowners to continue to willingly make investments to create economically and environmentally healthy forests (based on Board of Forestry Vision Statement #2.). Objective 1 of the Work Plan calls for the development of forest policies that ensure the sustainability of Oregon's forest resources while improving the forest sector's long-term contribution to national, state, and local economies.

In November 2007, the chairs of the Oregon Economic and Community Development Commission, Oregon Board of Forestry, Oregon Forest Resources Institute Board, and Dean of the Oregon State University College of Forestry/Director of the Oregon Forest Research Laboratory signed a joint resolution to set Oregon on a path to craft a comprehensive new forest cluster economic development strategy. The resolution directed the Oregon Economic and Community Development Department (OECD), Oregon Department of Forestry (ODF), Oregon Forest Resources Institute (OFRI), and the Oregon State University College of Forestry/Oregon Forest Research Laboratory (OSU) to work together to recommend a strategy and also recommend how best to build the organizational capacity within state government to play its role in successfully carrying out the strategy. The goal and objectives for the proposed strategy are provided in the resolution. An accompanying memorandum of agreement signed by the four agency directors provides more details on the actions to be accomplished.

BACKGROUND

With the support of the other three participating agencies and private sector stakeholders, eleven faculty members from all departments in the OSU College of Forestry have submitted a proposal that is a finalist in the Oregon Innovation Council's Established Industries Initiative grant program. The "Enhancing Innovation in Oregon's Forest Cluster" proposal includes three projects:

- Center for Intensive Planted-Forest Silviculture
- Center for Forest Transportation
- Commercialization and Market Research Laboratory

The four agencies have developed an outline of draft recommendations (Attachment 1). These recommendations have emerged from previous work with the private sector including the 2007 Oregon Business Plan Oregon Cluster Resource Guide, the 2007 Oregon Leadership Summit Federal Forest Health Initiative, the 2006 Forest Cluster Initiative for the Oregon Business Plan, Oregon Innovation Council, OFRI Oregon Forest Cluster Analysis Report, and the Oregon Board of Forestry's Forest Vitality Work Plan.

Recently, Governor Kulongoski unveiled his overall Oregon 2008 Economic Development Strategy which focuses on the following "high-potential, globally-competitive industries:"

- Green Building Industries, including
 - Sustainable energy technology
 - Wood Products; and
 - Conservation
- Renewable Energy, including
 - Photo-voltaic/Solar
 - Wind
 - Wave
 - Biofuels; and
 - Geothermal

It is anticipated that the forest cluster economic development strategy being developed by the four agencies will provide the needed details for the wood products and woody biofuels components of the Governor's strategy.

Even as work on a long-term forest cluster economic development strategy continues, ODF, OECDD, OSU, and OFRI staff are also working closely to address urgent short-term forest cluster viability issues, particularly in Eastern Oregon. Coordination between the Department of Forestry and Economic and Community Development resulting from this work directly contributed to the recent successful negotiations over fire salvage on the Malheur National Forest.

NEXT STEPS

The four agencies are working to finalize the forest cluster strategy recommendations. More detail will be added regarding:

- Needed private sector actions
- Role for state government
- Agency assignments
- Additional resources needed
- Milestones
- Deliverables
- Measures of success

Proposals will also be developed on how best to build and maintain improved capacity within state government to fulfill its roles in implementing the forest cluster economic development strategy recommendations and achieving the goals and objectives of the strategy.

The four agencies are scheduled to meet with the staff from the Governor's Office and key forest cluster representatives in August to gauge political support for the proposed forest cluster strategy. The next step will be to broaden support within the forest cluster community and seek input for further improvements. To be successful the forest cluster strategy will truly need to be a public/private partnership.

The Board will be kept informed on project progress through periodic updates.

ATTACHMENT

- (1) Oregon Forest Cluster Recommendations Summary