

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 06-195

Approving an Amended 2005-2007 Regional Investment Strategy of the Multnomah-Washington Regional Investment Board

The Multnomah County Board of Commissioners Finds:

- a. By Resolution 05-211 the Board approved the 2005-2007 Multnomah-Washington Regional Investment Strategy. The Strategy charts the means by which the Regional Investment Board will implement the Regional and Rural Investment Programs for the 2005-2007 in compliance with the economic development criteria established by State Legislature for the Programs. The Strategy describes regional economic development priorities, identifies related investment goals, and lays out performance measures by which investments will be evaluated.
- b. In order to better meet the needs of small businesses, this strategy should be amended.
- c. The County, including distressed communities within the County, will benefit from the job creation and leveraging of Regional and Rural Investment funds that will occur as a result of the implementation of the amended Strategy.

The Multnomah County Board of Commissioners Resolves:

1. The Board approves the amended 2005-2007 Multnomah-Washington Regional Investment Strategy attached as Exhibit A.

ADOPTED this 30th day of November, 2006.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By

John Thomas, Deputy County Attorney

Multnomah-Washington 2005 – 2007 Regional Strategy
Proposed Amendments 11/30/06

Executive Summary <ul style="list-style-type: none">• Introduction• Summary	<p>The Multnomah-Washington Regional Investment Board (RIB) is charged with implementing the Regional and Rural Investment Program in accordance with ORS 285B.230 to ORS 285B.263 and ORS 285B.269, and OAR 123-044-0000 to 123-044-0090 and OAR 123-045-000 to 123-045-0060. This strategy is in satisfaction of these statutory and regulatory requirements.</p> <p>The 2005-07 Regional Investment Strategy charts the means by which the RIB will implement the 2005 – 2007 program. This strategy draws upon the previously adopted 2003 – 2005 Multnomah and Washington County Regional Strategy approved in October, 2004. It is intended to serve as an update of the region’s economic development priorities, and to provide goals and performance measures guiding investment of the Multnomah-Washington Regional and Rural Investment funds.</p> <p>Multnomah and Washington counties have a number of established industry clusters as well as emerging clusters supported through this Regional Strategy, thus increasing the economic vitality and competitiveness of the region. Established industry clusters include: high tech (semiconductors/silicon, imaging display technology); metals, machinery, and transportation equipment; nursery products; specialty foods and food processing/craft beverages; and lumber and wood products, bioscience, warehousing/distribution, and clean energy. Emerging clusters include sports apparel/ recreation-related products; high tech (nano and micro technology, cyber-security, health/medical information technology); and creative services (advertising, public relations, film and video, web content and design). These clusters will be supported through projects identified by the Regional Economic Development Partners in their ongoing efforts at business expansion and retention.</p> <p>Also, as companies with less than 20-25 employees represent over two-thirds of the region’s businesses, this Regional Strategy supports the retention and expansion emergence of small businesses and microenterprise in the region, and providing economic opportunity to a wide range of workers and distressed communities, including the rural portions of in Multnomah and Washington counties. Recognizing that the two counties are becoming increasingly diverse in social and economic terms, the Multnomah-Washington Regional Strategy seeks to address the needs and issues of disadvantaged and minority groups. The region’s economic strength depends both on the success of its cluster industries and small local businesses, and on providing opportunities for economic success to all sectors of society. Minority-owned, woman-owned, and emerging small businesses will be supported by funding for small business development projects. a microenterprise/small business loan program.</p>
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<p>Background Narrative</p>	<p>The Multnomah-Washington county region possesses many desirable attributes including: substantial economic and human capital within, or in close proximity to, the two-counties; an excellent quality of life as reflected in both the natural and built environments; and a growing diversity of ethnicities and cultures in the population. However, barriers to business success also exist, including complex political and regulatory environments; ongoing statewide funding shortages for K-12 through higher education; inadequate access to capital for small business; and challenges matching the skill sets of the existing labor force to employers' skill requirements.</p> <p>The Multnomah-Washington Regional Investment Board includes six members representing diverse sectors and geographic areas. They are:</p> <ul style="list-style-type: none"> • Andy Duyck, Washington County Commissioner • Bertha Ferrán, Mortgage Consultant and Secretary, Hispanic Chamber of Commerce • Roy Jay, Chair, President, President of Oregon Business Network and African American Chamber of Commerce • Carol Nielsen-Hood, Executive Director, Gresham Area Chamber of Commerce • Larry Pederson, Economic Development Director, City of Hillsboro • Lorraine Clarno, President, Beaverton Chamber of Commerce • Janet Young, Economic Development Manager, City of Beaverton
<p>Resource Analysis</p>	<p>Resource Inventory</p> <ul style="list-style-type: none"> ▪ Substantial economic and human capital within, or in close proximity to, the two-county region ▪ Excellent quality of life, as reflected in both the natural and built environments ▪ Growing regional diversity – language, race, ethnicity ▪ Established regional industry clusters: <ul style="list-style-type: none"> ✓ High tech (semiconductors/silicon, imaging display technology) ✓ Metals, machinery, transportation equipment ✓ Nursery products ✓ Specialty foods and food processing/craft beverages ✓ Lumber and wood products ▪ Emerging regional industry clusters: <ul style="list-style-type: none"> ✓ Sports apparel/recreation-related products ✓ High tech (nano and micro technology, cyber-security, health/medical information technology) ✓ Creative services (advertising, public relations, film & video, web content and design) ▪ Close proximity to post-secondary educational institutions: Portland State University, Oregon Health and Science University, Mt. Hood Community College, Portland Community College, Lewis and Clark College, Reed College, University of Portland, Pacific University

	<ul style="list-style-type: none"> ▪ Emerging model of regional collaboration and strategic thinking through the Regional Economic Development Partners
Needs Examination Barriers	<p>Development Needs /Barriers to Implementation</p> <ul style="list-style-type: none"> ▪ Continuing unemployment rate higher than the national average ▪ Structural changes to the economic base, including lower rates of high tech and manufacturing capitalization ▪ Inadequate access to capital for small business ▪ Complex political and regulatory environments ▪ Multiple jurisdictions within the region ▪ Shortage of flexible economic development “opportunity funds” at the local level <p>Ongoing need to expand transportation and infrastructure capacity</p> <ul style="list-style-type: none"> ▪ Growing regional diversity – language, race, ethnicity ▪ Disparate educational attainment levels among demographic groups ▪ Challenges to ensure skill set of existing labor force matches employers’ skill requirements ▪ Ongoing statewide challenges with funding for K-12 through higher education can be a barrier to business recruitment, retention and expansion ▪ Tight supply of readily developable industrial land
Long-Term Plan	<p>Successful implementation of this strategy over the long term will rely primarily upon coordination and, where possible, integration of efforts to advance the several existing economic development plans for the state (Oregon Business Plan) and region (report of the Metropolitan Economic Policy Task Force, Westside Economic Strategy). It will also rely on sustained collaboration by numerous stakeholders, including business associations and individual firms, and local, regional and state government agencies.</p> <p>Specific activities will include:</p> <ul style="list-style-type: none"> ▪ <u>Local governments</u> – Several cities throughout the region have existing plans, strategies and activities centered on job creation and economic development. In addition, nearly every city in the region provides small business support. Continued local efforts in these areas will help advance the Regional Strategy. ▪ <u>Private Sector</u> – Business associations and individual firms will primarily contribute to the Regional Strategy’s implementation in two ways. First, through continued participation by associations and large firms in the Regional Economic Development Partners, and second, through the participation of smaller companies businesses in the Strategy’s small business diversification and expansion Micro Enterprise loan program. Notably, businesses can best support the Regional Strategy by making available the resources needed to meet the strategy’s match and leverage goals. Private sector support for the Regional Strategy will also include leadership and oversight through membership on the RIB. ▪ <u>State government</u> – Continued coordination, communication and

	<p>collaboration around both regional and small business strategies between state agencies and local partners will be another key to the success of this Regional Strategy. This collaboration currently exists through the leadership of the Oregon Economic and Community Development Department and through the activities of the Governor's Economic Revitalization Team.</p> <p><u>Federal Government</u> – The federal government will contribute to the Regional Strategy's implementation by providing assistance to the Regional Economic Development Partners for establishment of a Comprehensive Economic Development Strategy (CEDS). The CEDS will enhance economic development efforts by making the region eligible for federal assistance with infrastructure development.</p>
Identified Priorities	<p>Long-Term Goals The Multnomah-Washington Regional Investment Board will continue to focus on the two long-term goals identified as priorities in the 2003-05 Regional Strategy:</p> <p>Goal #1 – Regional Economic Competitiveness</p> <ul style="list-style-type: none"> ▪ Increase the comparative advantage of the region's key industry clusters (High Tech; Creative Services; Nursery Products; Metals/Machinery/Transportation Equipment; Lumber and Wood Products; Specialty Foods/Craft Beverages) ▪ Help develop emerging clusters such as bioscience, warehousing/distribution, and clean energy ▪ Assist with making this region a location of choice for firms in existing and emerging industry clusters <p>Goal #2 – Community Economic Development</p> <ul style="list-style-type: none"> ▪ Increase the wealth and well-being of distressed and lagging communities and populations and their individual households and businesses.
Investment Strategy Rural Investment Action Plan	<p>Investment Strategy To leverage existing resources and capacity, the RIB will target resources to two programs/partners:</p> <p>A. Regional Investment Projects</p> <p>Goal #1 will be addressed by funding activities of the <u>Regional Economic Development Partners</u>. The Regional Economic Development Partners (or "Regional Partners") is a collaborative organization comprised of about 25 cities, counties, business associations and firms in the five-county Portland metropolitan area. The Regional Partners advance shared economic priorities by working to implement business recruitment, retention and expansion plans around the region, as well as implementing marketing strategies and policy development. Regional Partners activities focus on the region's cluster industries.</p>

	<p>As a regional economic development organization comprised of local, state and regional government agencies, private sector businesses and associations, the Partners' work is ideally aligned with the mission of the Regional and Rural Investment Program and presents the opportunity to leverage sizable collaborative resources and efforts for improving the regional economy.</p> <p>Goal #2 will be addressed by investing in a <u>small business diversification and expansion</u> micro-enterprise loan program. The program will provide funds to companies with fewer than 25 employees for expansion activities that create jobs. micro-enterprise loans to Minority, Women and Emerging Small Businesses (MWESB) in the region. Such businesses often have difficulty acquiring business loans through traditional lending institutions.</p> <p>The small business diversification and expansion micro-enterprise loan program will complement the efforts of the Regional Partners by offering greater access to capital for small businesses. that may not be part of a regional industry cluster. Provision of funds to businesses with planned expansion projects will expand entities with established records operating micro-enterprise loan programs; opportunities for job creation in a traditionally underserved part of the business community. will be expanded.</p> <p>Criteria for Use of Regional Investment Funds by Grantees</p> <p><u>Regional Partners</u></p> <p>The fundamental components of this project are as follows:</p> <ul style="list-style-type: none"> ▪ Fifty percent of the Regional and Rural Investment funds (less the administrative allowance) will be invested through the Regional Partners. ▪ The RIB and Regional Partners will establish contractual targets for job creation, retention and funds leveraged. These targets will be based on the Regional Investment Board's performance measurement targets presented later in this document. ▪ Grants will be provided to private firms for the purpose of job creation and retention. Preference will be given to firms in the region's identified cluster industries. These clusters are high technology; creative services; nursery products; metals, machinery and transportation equipment; specialty foods, food processing and craft beverages; and lumber and wood products. Only businesses operating in Multnomah or Washington County will receive grants from the RIB. Grants will be disbursed only after the execution of a contract specifying the business's plan for meeting job creation/retention, investment and other criteria that may apply to the project. <p>The Regional Partners Executive Committee will serve as the review board for project proposals and will make recommendations to the Multnomah-Washington RIB which has final project approval. Disbursements to projects will occur only after all drawdown documentation requirements are met and approved by</p>
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	<p>Multnomah County.</p> <p><u>Small Business Diversification and Expansion Micro-Enterprise Loan Program</u></p> <ul style="list-style-type: none"> ▪ Fifty percent of the Regional and Rural Investment funds (less the administrative allowance) will be invested through the small business micro-enterprise loan program. ▪ Priority for the Regional and Rural Investment funds allocated to the small business micro-enterprise loan program will be stimulating job creation for companies with 25 or fewer employees including minority, women and emerging small businesses (MWESB). Businesses Loans funded by the RIB will have to operate in Multnomah or Washington counties. ▪ Through an RFP process, small businesses will be encouraged to submit proposals outlining their plans to diversify or expand, including the creation of new jobs. Threshold project criteria: <ul style="list-style-type: none"> – Company has fewer than 25 employees – Employment is covered payroll, eg. verifiable through the Oregon Employment Department – New jobs will be retained for a minimum of 12 months – Company is located in Multnomah or Washington counties. ▪ Preference will be given to projects that: <ul style="list-style-type: none"> – Create a minimum of 1 FTE for every \$5,000 in RIB funding. – Generate a minimum of \$5,000 in additional investment to the project for every \$1,000 of RIB funding – Company is in one of the region's traded or emerging industry sectors ▪ The RIB will identify qualified entities and select one or more contractors to conduct outreach, provide technical assistance, package loans and/or administer the micro-enterprise loan program. Performance measurement for outreach, technical assistance, loan packaging and loan administration services to the targeted populations will all be integrated and based on the number of number of jobs created and retained, number of successful applicants, number of successful business development endeavors, and amount of additional funds leveraged. <p>Rural Investment Strategy</p> <p>Rural Investment Funds will be utilized within the same structure as Regional Investment Funds, targeted to areas in the two-county region which are located outside of the Metro Urban Growth Boundary, including incorporated cities located in those rural areas. In utilizing the Rural Investment funds, the Regional Investment Board will address the same goals (Regional Economic Competitiveness and Community Economic Development) set forth for the Regional Investment funds.</p>
Disadvantaged/Minority Involvement	<p>The Multnomah-Washington Regional Investment Board recognizes that the two counties are becoming increasingly diverse in social and economic terms. It also recognizes that the counties continue to be home to communities lagging behind the region as a whole in economic terms. Within the constraints of program regulations and available funds, the Multnomah-Washington Regional Investment program will</p>

	<p>seek to address the needs and issues of disadvantaged and minority groups.</p> <ul style="list-style-type: none"> ▪ Key leaders from the local minority private enterprise community will have leadership and oversight roles as members of the RIB. ▪ Traded sector firms receiving Regional and Rural Investment funds will be required to ensure opportunities for disadvantaged and minority workers, contractors and suppliers. ▪ The plan's small business diversification and expansion micro-enterprise loan program will make funding business loans available to emerging women and minority-owned small businesses that may otherwise have difficulty in securing funding.
Specially Proscribed Uses of Funds	<ul style="list-style-type: none"> • Tourism projects funded by the RIB will be coordinated with the Oregon Tourism Division and business recruitment projects will be coordinated with OECDD's statewide marketing activities. • No more than 25% of the RIB's Regional Investment Fund guideline will fund fixed asset acquisition.
Evaluation Plan <ul style="list-style-type: none"> • Project long/short-term job creation/retention • Leverage long term • Maximizing short-term investments 	<p>Program Performance Measures</p> <p>The Regional Investment Board will focus 2005 – 07 funds on investments that result in:</p> <ul style="list-style-type: none"> ▪ Creation of new jobs ▪ Retention of existing jobs that are in danger of loss ▪ Attraction of additional capital investment into the region <p>The RIB will hold grantees to the following minimum performance goals in their use of Regional and Rural Investment funds:</p> <p><u>Long-Term Job Creation/Retention and Leverage</u></p> <p>No investment in long-term job creation is anticipated since funds will be allocated to businesses for immediate expansion or development projects. However, once the region's short term job retention/creation and investment leverage goals are met, the Multnomah-Washington RIB may consider projects with longer term job creation potential.</p> <p><u>Short-Term Job Creation/Retention and Leverage</u></p> <p>Regional investments in the 2005 – 07 biennium will lead to the creation or retention of a minimum total of 150 jobs. A majority of the jobs created or retained as a result of Regional or Rural Investment funds will exceed the average wage for the county in which they are located.</p> <p>Projects funded by the RIB in the 2005 – 07 biennium will leverage a minimum of \$5 in additional non-state investment for each \$1 in program funds, for a total of \$4 million. Leverage may be in the form of equity or in-kind match, but will be easily quantifiable and well documented.</p>
Management Plan	<p>Management Plan</p> <p>Multnomah and Washington Counties have each appointed three members to the Regional Investment Board (RIB). The responsibilities and authority of the Multnomah-Washington RIB will be consistent with those set forth in applicable statute.</p>

	<p>Multnomah County has been designated fiscal agent and will continue to manage the program funds. Administrative management for the program will be performed either by a qualified third party or by staff from the two counties. Through this arrangement, Multnomah County and the administrative staff will record and document the expenditures of funds allocated by the Regional Investment Board and track the progress of projects.</p> <p>Reporting requirements will be met by either county staff to the RIB or by a qualified third party. This includes periodic submission of performance reports, in the form prescribed, to the Economic and Community Development Department, to the Multnomah and Washington County Commissions, the Oregon Economic and Community Development Commission, the Governor and the Legislative Assembly.</p>
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