

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

In the Matter of Adopting an Updated Strategic)	
Plan and 1997-99 Action Plan and Rural Action)	
Plan and Submitting the Strategic Plan)	
to the Oregon Economic Development)	R E S O L U T I O N
Commission and the Governor of the State of)	97 - 102
Oregon for Consideration Under the Regional)	
Strategies Program)	

WHEREAS, the Counties of Multnomah and Washington joined together to form the Metro Region for the duration of the 1993-99 economic development Strategic Plan, which was developed by the Region's appointed Regional Board members and was approved by the Governor of the State of Oregon on September 21, 1994 in accordance with the requirements of the Regional Strategies Program; and

WHEREAS, the Regional Board has evaluated its performance to date in implementing the Strategic Plan and, as a result, has updated and made modifications to the Strategic Plan; and

WHEREAS, the Regional Board has also prepared an action plan and rural action plan for the 1997-99 biennium to further implement the Updated Strategic Plan; and

WHEREAS, the Region's Updated Strategic Plan and the 1997-99 Action Plan and Rural Action Plan meet the requirements of the Regional Strategies and Rural Investment Fund Program; and

WHEREAS, the Regional Board members have held public hearings on the Region's Updated Strategic Plan and the 1997-99 Action Plan and Rural Action Plan in each county in the Region; now, therefore

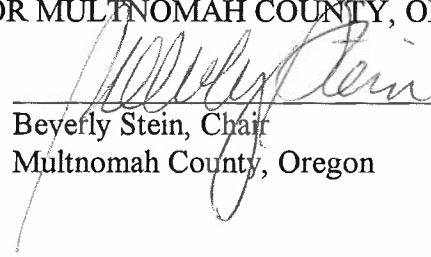
IT IS RESOLVED that the governing body of Multnomah County hereby adopt the Region's Updated Strategic Plan and 1997-99 Action Plan and Rural Action Plan and recommend that they be submitted to the Oregon Economic Development Commission and the Governor of the State of Oregon for consideration under the Regional Strategies and Rural Investment Fund Programs; and

IT IS FURTHER RESOLVED that the governing body of Multnomah County hereby commit to taking any action necessary to ensure that the Region achieves its goals as set forth in the Region's Strategic Plan.

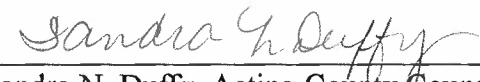
Approved 29th day of May, 1997.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Beverly Stein, Chair
Multnomah County, Oregon

REVIEWED:
SANDRA N. DUFFY, ACTING COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON

By: 
Sandra N. Duffy, Acting County Counsel

Regional Strategies Strategic Plan Update

Multnomah and Washington Counties

(00/00/97 - Approved by County Commissions)

(05/01/97 - Revisions Adopted by Regional Strategies Board)

Regional Strategies Application Multnomah and Washington Counties

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Appendix A - Participants in Metro Region Process

Regional Strategies Application Multnomah and Washington Counties

I. Process Overview and Future Action Plan

In developing the plan update and the recommended action plan the board conducted public meetings during April and May of 1997 at which industry presentations on existing and recommended strategies/activities were discussed with the Board. Public hearings on the draft plan update and draft recommended plan were held in May. The plan update and recommended plan were then considered and acted on by the Multnomah and Washington County Commissions in May 1997.

II. Executive Summary

Three key industries were selected by the Metro Regional Strategies Board to participate in the Regional Strategies Program as defined by the State of Oregon. Selected industries are Biotechnology, High Technology and Metals. A Board of 12 private citizens from Multnomah and Washington Counties developed a vision statement and identified program goals and industry selection criteria. The Metro Region's vision is: ***To Promote A Diverse and Sustainable Economy***. Strategies for industry development over a six year planning horizon were identified and two year action plans were developed in cooperation with representatives of private industry, educational institutions, industry associations, local government and economic development institutions.

III. Strategy Context

A. Regional Organization

The Metro Region strategy was developed and is being submitted to the State of Oregon as a required exercise of the Regional Strategies Program. Our planning process has been led by a Board comprised of 12 private citizens.

Six Citizens were appointed by Multnomah County:

Name	Telephone	Title/Position	Company
Jim Harper	241-7506	Human Resource Director	Wacker Siltronic
Mary Cohorst	695-2245	Director	Springdale Jobcorp
Patricia Scruggs	246-6148	Consultant	
Darrell Simms	235-5000	President	Management Aspects
Shirley Evans	240-6614	Vice President	Northwest Pipe Co.
James Rapp	228-7352	Manager	McKeever Morris, Inc.

Six Citizens were appointed by Washington County:

Name	Telephone	Title/Position	Company
Betty Atteberry	645-4410	Executive Director	Sunset Corridor Assn.
Lyle Chadwick	643-5953	Certified Public Accountant	
Judson Randall	725-5687	Advisor	Portland State Univ.
Jack Orchard	228-2525	Attorney	Ball, Janik & Novak
Morgan Pope	725-5030	Associate Dean	Portland State Univ.
(Vacant)			

Assisting the Board were individuals from various local governments, economic development agencies and industry associations. These participants have been identified in Appendix A. Considerable time and energy has been invested in making the Metro Regional strategy a dynamic and useful tool for regional economic development. The Board thanks each participant for their valuable contributions to the regional community.

B. Link to the State Strategic Plan and Benchmarks

The Metro Region supports the State's vision, Oregon Benchmarks, by targeting the following:

- 1. Value-Added Products, Global Business:** Economic opportunities are critical for the Metro Region's unemployed, under employed and underrepresented workers. Value added products in biotechnology, high technology and metals production/fabrication offer regional economic growth and development opportunities. Education and training is necessary for regional workforce participants to achieve international standards and achieve global competitiveness in all industry sectors.
- 2. Diverse and Productive Industry:** The Metro Region will concentrate on boosting total payroll, per worker payroll, per worker value-added manufacturing, and percentage employment in value-added manufacturing in selected industries.
- 3. Build a Superior, World Class Workforce:** Workforce development activities will receive particular emphasis in the form of education and training in addition to awareness programs for workforce opportunities in identified industries.

4. Public Infrastructure Investment: Real per capita outlays for facilities.

C. Integration of Other Planning Efforts

The Portland-Multnomah Progress Board completed the Portland-Multnomah Benchmarks in January 1995. Board staff reviewed this document in order to assure consistency with the updated strategy and avoid duplication of efforts.

IV. Regional Economic Assessment

A. Analysis of the Key Industries

The Metro Region has the most diverse economy in the state. All Oregon State key industries participate to some extent in the region's economy:

- | | | |
|-------------------------|------------------|--------------------|
| •Aerospace | •Fisheries | •Plastics |
| •Agriculture | •Forest Products | •Producer Services |
| •Biotechnology | •High Technology | •Software |
| •Environmental Services | •Metals | •Tourism |
| •Film & Video | | |

Employment statistics have been assembled by the State of Oregon Employment Department for 1992 covered employment in the Metro Region :

Metro Region Industry Employment

- 1.3% Agriculture
- 4.0% Construction
- 7.4% Finance, Insurance, Real Estate
- 13.2% Government
- 15.9% Manufacturing
- 26.5% Services
- 25.5% Trade
- 6.3% Transportation

The services industry group accounts for the most jobs in the Metro Region:

Metro Region Employment in Service Industries

- 24.0% Business Services
- 4.6% Education Services
- 26.3% Health Services
- 8.1% Hotel/Amusements/Museums
- 9.0% Personal/Repair
- 12.7% Professional/Legal
- 8.4% Social Services
- 6.9% Other Services

Employment in the trade sector is dominated by restaurants/bars and wholesaling:

Metro Region Employment in Trade Industries

- 7.1% Auto Sales and Service
- 4.4% Apparel and Accessories
- 24.1% Eating/Drinking
- 9.2% Food Stores
- 8.5% General Merchandise
- 13.6% Miscellaneous & Other Retail
- 33.0% Wholesale

The manufacturing sector is the third largest employment group, accounting for approximately 16% of total employment:

Metro Region Manufacturing Employment

8.5% Food Products
23.8% Instruments/Electronics
10.5% Machinery
14.0% Metals
9.6% Printing/Publishing
10.7% Transportation Equipment
11.3% Other Durables
11.7% Other Non-Durables

Primary industries employment is different for Multnomah and Washington Counties. Of the top ten industries in Multnomah County, five are service industries and only one is in manufacturing. In Washington County, three of the top ten industries are service, while three are in manufacturing. Multnomah County has a much higher concentration of employment in finance, insurance, real estate, transportation, communication and utilities industries. Additionally, Multnomah County has almost twice the concentration of government employment than Washington County given the presence of several federal governmental agencies.

Washington County has a higher concentration of employment in "goods producing" industries - agriculture, construction, and manufacturing in addition to employment in wholesale firms. Manufacturing related employment accounts for over one-fourth of total Washington County employment as compared to 13% for Multnomah County and 17% for the state. Of particular importance to Washington County is high-technology manufacturing employment. In terms of recent industry growth, Washington County has surpassed both Multnomah County and the state in every sector of the economy.

The Metro Region's employment base has a high proportion of white collar jobs - executive, administrative, managerial, professional and specialty occupations, technicians, sales and administrative support. When compared to state employment statistics, the region is under-represented in its proportion of what has traditionally been considered blue collar employment - operators/fabricators, transportation/material movers, laborers, precision product, craftsman and repair.

Given the region's industrial mix, generally larger sized firms, relatively higher cost of living and concentration of white collar employment, a higher proportion of the work force is employed in more skilled, higher paying industries than the state as a whole:

Metro Region Average Annual Payroll by Business Sector

Business Sector	Average Annual Payroll	Average as a % of Oregon's
Total (all ownership & industry types)	\$26,762	114%
Wholesale Trade	\$33,892	111%
Manufacturing	\$33,595	113%
Transp./Comm./Utilities	\$32,417	107%
Construction	\$31,619	113%
Finance/Insurance/Real Estate	\$30,037	111%
Government	\$29,934	112%
Services	\$23,732	114%
Agriculture	\$20,353	142%
Retail Sales	\$15,200	109%

Within the region, Washington County has higher average salaries in manufacturing, wholesale & retail trade and the service sector. Multnomah County has higher average payrolls in finance, insurance, real estate, government, transportation, communication, utilities and construction.

The existing analysis of key industries is augmented by the Target Industry Discovery Program, Phase One, completed by Eiland Research in May 1995, for the Regional Strategies Board and the Portland Development Commission. The report is attached as Appendix 2.

The report provides the results of an economic analysis of the three key industries. It also provides an analysis of interviews among regional business leaders in key industries.

B. Inventory of Resources

Multnomah and Washington Counties have many resources as a major metropolitan area including:

- **Growing Population and Labor Force**
 - Metro Region population: 963,500 (15% growth by the year 2000)
 - Metro Region civilian labor force: 525,700 (20% growth by the year 2000)
 - The rate of unemployment is lower than in most of the state
- **Diversified and Stable Economy**
 - Broad manufacturing and service sector base
 - Excellent location for worldwide manufacturing
 - The largest economic region in the state
- **Superior Transportation Connections**
 - Integrated highway, rail and marine facilities
 - Terminus of three transcontinental railroads
 - World class seaport - 110 miles inland from Pacific Ocean
 - Expanding national and international air service
- **Regional Financial and Service Center**
 - Portland metro area is the nation's 27th largest metropolitan area
 - The service sector is the fastest growing segment
 - Developed urban area 30 miles in diameter
- **Educated and Productive Workforce**
 - Region's workforce is the largest in the state
 - There are significant training institutions in the region
 - The workforce is the most diverse in Oregon
 - Education levels are higher than the state average
 - Comprehensive training programs
- **Abundant Energy and Water Resources**
 - Diversified supply/stable rates
 - Rates are among the lowest in the nation
 - Resources adequate to meet long-term future needs
- **Excellent Living Environment**
 - Quality of education
 - Affordable living
 - Natural beauty

C. Identification of Resource Gaps and Opportunities

The Metro region also has resource gaps and opportunities:

- **Growing Population and Labor Force**

- From 1980 to 1990, the population of Multnomah County grew 8.4% while Washington County grew 27%
- The numbers and pockets of unemployed are the largest in the state
- The supply of labor **in some economic sectors** is growing faster than new jobs are being created
- Unemployment and discouragement is greater in some minority groups and neighborhoods than in the general population
- Wages continue to decline
- 85% of workers needed for the new technologies and sophisticated jobs are already working: limited number of **skilled** workers in unemployment pool

- **Educated and Productive Workforce**

- Employers are concerned about the skill levels of existing workers
- Training is not widely available for current entry level workers (SCANS report)
- New workforce entrants have skill levels below what employers need and expect
- Job creation in the High-Tech industry is occurring faster than existing education and training programs can provide skilled workers

- **Unsettled Tax Environment**

- Current Oregon State tax structure viewed as not stable or predictable
- Employers concerned about future tax burden on business
- Impact of Measure 5 on infrastructure and education viewed negatively

- **Disparate Economic Development**

- Between 1980 and 1990, the region's per capita income increased by 49% while Portland's per capita income increased by only 27%
- In 1980, Portland's wages were 9%-22% higher than those of the region. By 1990, Portland's wages were 2% higher in manufacturing and 5% lower in the service sector. Higher paying jobs continue to locate outside the city
- In 1980, Portland's unemployment rate was 17% higher than the region's. By 1990, the gap had widened to 32%
- In 1980, Northeast Portland's unemployment rate was 29% higher than the region's. By 1990, the gap had increased to 113%
- The ethnic minority population in North/Northeast Portland is 42.3% as compared to 8% for the Portland/Vancouver metro area
- Unemployment rates are higher for ethnic minority groups:

Unemployment Rates in Metro Region
(Region Total: 5.4% March 1993)

	Multnomah County	Washington County
African Americans	12.7%	8.0%
Native Americans	12.2%	11.1%
Hispanics	7.7%	6.5%
Asians/Pacific Islanders	5.8%	3.7%

- Measure 5 impact on public education concerns employers expectations
- The 27% drop-out rate for youth in North/Northeast Portland and high crime rate demanded a specific planned approach to stimulate economic development there.

V. Industry Selection

A. Selection Rationale

The vision statement selected by Metro Region's Board is: *To Promote A Diverse and Sustainable Economy*. Components of this vision are as follows:

Jobs/Employment

- Equitable Distribution - Geographical/Socio-Economic
- Value Added
- Economically Self-Sufficient (Family Wage)
- Tied to Business Needs/Opportunities
- Attract/Expand/Maintain Jobs

Training/Retraining/Education

- Sustainable/Self Perpetuating
- Available to All People
- Improve K-Career, Community College & Higher Ed
- Impact Existing Residents
- Balance Between Availability & Jobs

Livability

- Environmental Quality Maintained
- Widespread Prosperity
- Support Social & Physical Infrastructure

Economy

- Diverse Based on Knowledge & Skills
- Global
- Attract/Expand/Maintain Business
- Investment
- Stable and Predictable Taxes & Regulatory Environment

Consistent with the region's vision, the Board developed the following list of long-term goals which also served as selection criteria for the Metro Region's three key industries:

- GOAL #1: Create and retains jobs that lead to economic self-sufficiency
- GOAL #2: Continuously develop, educate and train workforce
- GOAL #3: Link jobs to all region residents
- GOAL #4: Build regional public and private wealth and economic capacity
- GOAL #5: Positively affect low income communities
- GOAL #6: Enhance quality of life
- GOAL #7: Provide full-range of job opportunities
- GOAL #8: Link business needs with educational system
- GOAL #9: Create entrepreneurial opportunities
- GOAL #10: Link private, educational, general governmental sector to economic agenda
- GOAL #11: Attract, expand, retain companies and jobs within key industries
- GOAL #12: Equitable distribution of jobs (geographic and socio-economic)

All 13 of Oregon State's key industries were invited to make presentations to the Metro Regional Strategies Board. These presentations were to be made in person and were to address the previously stated selection criteria. The following nine industry groups responded by making presentations to the Board:

- Aerospace
- Agriculture
- Biotechnology
- Environmental Services
- Film & Video
- High Technology
- Metals
- Software
- Tourism

Independent evaluation of each of these industry groups led the Board to select **Biotechnology** and biotech related environmental services, **High Technology** including segments of the software and multimedia industries, and **Metals** as the targeted industries for this strategy. This assessment was based upon a review of the Board's long-range goals and an evaluation by the Board of the opportunities each industry has to accomplish these stated goals.

The Metro Region has determined that the following economic components are critical to the success of all industries in the region:

- Education and Training
- Business Infrastructure Development
- Marketing and Recruitment
- Management and Technical Assistance

B. Barriers to Industry Development

Group discussions with industry businesses, industry associations and regional community representatives revealed the following barriers to industry development within the Metro Region:

- Availability of properly educated and skilled workers
- Improvement in new labor force work habits
- Infrastructure needs: wet labs, new business facilities
- Accessibility of management and technical assistance
- Effective marketing and recruitment programs

The existing discussion of barriers to industry development is augmented by the Target Industry Discovery Program, Phase One, completed by Eiland Research in May 1995, for the Regional Strategies Board and the Portland Development Commission. The report is attached as Appendix 2.

The report provides the results of an economic analysis of the three key industries. It also provides an analysis of interviews among regional business leaders in key industries.

C. Link to Regional Vision and Long-Term Goals

Linkage to the Metro Region's vision and long-term goals is accomplished by providing the means to overcome stated barriers to development in the biotechnology, high technology and metals industries. Job creation, workforce education, training and development, economic self-sufficiency, regional wealth and economic capacity, and other regional goals are linked directly to the vision of a diverse and sustainable economy.

From the Metro Regional Strategies Board's discussions with key industries, there are serious concerns regarding skill levels within the available workforce at all levels of employment from

entry level to postgraduate scientists and technicians. Required entry level skills are much higher than they have ever been. The linkage between available workforce skills, job creation and economic development is clear. While specific needs are required by different key industry sectors, much of the required skills are similar across the region's selected key industries.

A key concept in the region's strategy for economic development is the need to focus on workforce education, training and development in all selected industries. While this is one of several strategic components, it is considered to be the critical success factor toward sustainable economic development for the region. A core concept is that change needs to occur in workforce education from K-12 through community colleges and four-year colleges and universities. This change has to be driven by the educators themselves and therefore, the education workforce needs to be developed in order to enact change in the preparation of the labor force.

Work-based learning experiences will be developed through partnerships between education and private industry to introduce a real, functional school-to-work component into the educational system. Work-based learning will tie directly to education reform in the state of Oregon by connecting with CAM (Certificate of Advanced Mastery) development. Standards will be developed and used by education and industry to define what it takes to be successful in school and in the world of work.

Initiatives in this area of workforce education, training and development tie directly to the \$335,000 in Workforce Quality Committee funds dedicated to school-to-work in the Metro Region (Region 2), strengthens the region in its efforts to receive a significant portion of the \$8 million which Oregon may receive from the School To Work Opportunities Act, and strengthens the proposed application to the Federal Government for \$5-800,000 in additional direct funding.

Additionally, the need for change will require the key industries to become more knowledgeable of the education process, the educational delivery systems, and how they can assist that process both in the schools and in the work place. Linking the key industries to schools, work-based learning, skills development and adult retraining are all components of education, training and workforce development embraced by the Metro Region Board for all three selected industries.

Additional linkage to the region's vision and goals is provided by infrastructure development, marketing and recruitment, and management/technical assistance in the biotechnology and high technology industry sectors. These initiatives are industry specific and will be addressed in the biotechnology and high technology industry strategies.

Infrastructure requirements for industry development include business facilities, laboratories and resource/development centers. During the early stages of commercialization, biotechnology facilities and other shared facilities can provide business expertise, access to expensive equipment, and networks of managerial and technical resources often otherwise unobtainable by small start-up companies. Infrastructure needed to support the high technology industry can also assist software development through accessibility to various hardware formats and operating system platforms in a high technology resource/development center.

Marketing and recruitment are components of the region's economic development plan for the biotechnology and high technology industry sectors. Recruitment of out-of-state firms by advancing the Metro Region's reputation as a biotechnology and high technology center strengthens the employment base, builds economic capacity and grows recognized clusters within these industry sectors which create additional growth opportunities.

Management and technical assistance requirements vary by industry sector. The environmental biotechnology industry segment needs assistance developing a contract procurement center. The high technology industry needs funding for an industry benchmarking program and performance measurement system to evaluate competitiveness for long-term growth and development.

D. Industry, Public and Educational Partnerships

Biotechnology Industry Partnerships

Oregon Biotechnology Association
Oregon Biotechnology Foundation
Oregon Environmental Technology Association
Oregon Health Sciences University
Oregon Graduate Institute
Industry Partners (companies within industry)
Portland State University
Portland Development Commission/City of Portland

High Technology Industry Partnerships

American Electronics Association
Lintner Center for Advanced Education
Oregon Graduate Institute
Oregon Center for Advanced Technology Education
Software Association of Oregon
Industry Partners (companies within industry)
Portland State University
Oregon Joint Graduate
Portland Development Commission/City of Portland

Metals Industry Partnerships

Oregon Metals Industry Council
Oregon Precision Metal Fabricators Association
Oregon Advanced Technology Consortium
Industry Partners (companies within industry)
Portland Development Commission/City of Portland

Educational Partnerships

Mt. Hood Community College
Mt. Hood Regional Consortium (Vocational/Technical Education)
National School to Work Opportunities Act
Oregon Business Council - Education Subcommittee
Portland State University
Portland Community College
Portland Area Vocational Technical Education Consortium
Region 2 Workforce Quality Committee
The Private Industry Council
Portland State University
Oregon Joint Graduate Schools of Engineering
Business Education Compact
Portland Development Commission/City of Portland

E. Analysis of the Foundation of Industry Resources

Biotechnology Industry Resources

Industry is highly dependent on access to high-level research facilities and programs. Companies usually emerge as an outgrowth of scientific discoveries in academic research labs around the country.

- Technology Transfer Opportunities:
 - Advanced Science & Technology Institute
 - Oregon Health Sciences University
 - Oregon Graduate Institute
 - Oregon Regional Primate Research Center
 - Good Samaritan Hospital's Dow Neurological Sciences Institute
 - Emanuel Hospital
 - Portland Community College
 - Portland State University
 - Veteran's Administration Hospital

Industry requires highly skilled and technically trained employees

- Community College/university and specialized training of lab technicians

Biotechnology Industry is in its infancy but substantial growth is expected

- The world market for biotechnology derived products is expected to grow at an annual compound rate of 25%, from \$6 billion in 1992 to around \$60 billion by the year 2000.

Emerging cluster of biotechnology companies in the region aids industry recognition as a center for future industry growth.

Biotechnology applications are well suited for Oregon:

- Forest products, agriculture, aquaculture, bioremediation, and environmental services are areas where existing Oregon industries can develop and utilize biotechnology applications. Applying biotechnology to established Oregon industries can provide those industries with a competitive edge in the market.

High Technology Industry Resources

Industry requires highly skilled and technically trained employees

- Education from K-12, community college, and four year colleges and universities is critical success factor for sustainable high technology industry growth. Additional specialized/technical training needed.
- Trend is away from positions performing tedious jobs and moving toward positions involving higher level tasks that require greater training.

Large regional high technology industry base is growing rapidly, and is expected to experience strong growth through the end of the decade.

- Growth opportunities exist in electronic design automation, parallel computing, pen-based and notebook computers, multi-media, networking, color printers/plotters and other output devices, optical scanning, compact disc-read only memory (CD-ROM), and flat panel displays.

Regional industry success due to geographic location, proximity and penetration of international markets.

- The greater Portland metropolitan area has the second largest concentration of Japanese semiconductor-related companies in the U.S. (after the San Francisco Bay area).

Existing regional cluster of high technology companies is large and sustainable. A critical mass of companies (industry food chain):

- 1,700+ high-technology firms statewide (85% in Portland Metro area)
- World class companies in many sectors (computers, semiconductors, software, instruments)
- Enabling the high technology industry, the software industry in Oregon is mostly

technical and applications oriented, not consumer-based.

Metals Industry Resources

Oregon has a critical mass of specialty metals firms with unique technology.

- Precision Castparts (structural investment castings), ESCO (steel castings, plate, bar and coil), TiLine and ORMET (titanium), VARICAST and Teledyne Wah Chang (primary zirconium and hafnium mill products). The Metro Region has a significant share of these firms. Segments of the metals industry producing value-added products are experiencing growth.

A strong metals industry is essential to other industries (i.e., transportation equipment, aerospace and high technology). The industry outlook for firms that can enter niche markets and add value to its products is excellent.

Increased skill requirements in the metals industry are due to greater use of computerized and electronic equipment but jobs are readily available to high school graduates who have basic skills in reading, writing, math and comprehension.

- Metal industry participants in the region are beginning to develop effective education and training programs in partnership with local community colleges to meet the need for skill upgrades and entry level training.

Potential growth in the metals industry requires a skilled and educated work force, ability to comply with tightening environmental laws, low-cost electric power availability, transportation access with favorable rates, and considerable capital investment in modern equipment and facilities.

Oregon metals firms generate over 90% of sales revenue from outside markets, but are predominantly locally owned.

VI. Biotechnology Industry Strategy

A. Industry Analysis (SWOT)

In conjunction with representatives of private industry, educational institutions, industry associations, local government and economic development institutions, the Board has determined that the following elements are "missing-links" or areas in need of improvement for the biotechnology industry in the Metro Region:

1. Education, training and workforce development initiatives must be supported.
2. Business infrastructure requirements within industry need to be addressed.
3. Marketing and recruitment efforts need to be assisted.
4. Managerial and technical assistance needs to be provided.

The existing industry analysis is augmented by the Target Industry Discovery Program, Phase One, completed by Eiland Research in May 1995, for the Regional Strategies Board and the Portland Development Commission. The report is attached as Appendix 2.

The report provides the results of an economic analysis of the three key industries. It also provides an analysis of interviews among regional business leaders in the key industries.

B. Long-Term Industry Benchmarks and Indicators

1. An increase in the number of biotechnology companies and jobs within the Metro Region.
2. Strong linkages between the biotechnology and environmental service industries (i.e., environmental biotechnology).
3. Focused educational initiatives in biotechnology and environmental biotechnology.
4. Availability of adequate business infrastructure resources within biotechnology industry to assist start-up companies and growing biotechnology businesses.
5. Managerial and technical assistance programs available to facilitate industry growth and development.
6. Industry recognition of the Metro Region's reputation as a biotechnology center.

C. Prioritized list of activities to be addressed

- | | |
|--------------------|--|
| Activity #1 | Create and sustain biotechnology facilities and environmental biotechnology resource and development capacity with the Region. Assist in venture capital marketing campaigns. |
| Activity #2 | Link education system curriculum to industry requirements. Provide biotechnology, environmental biotechnology training and education programs for students, educators, and workforce participants. Increase the information flow about biotechnology and environmental biotechnology industry opportunities to schools and industry. |

VII. High Technology Industry Strategy

A. Industry Analysis (SWOT)

In conjunction with representatives of private industry, educational institutions, industry associations, local government and economic development institutions, the Board has determined that the following elements are "missing-links" or areas in need of improvement for the high technology industry in the Metro Region:

1. Education, training and workforce development initiatives must be supported.
2. Business infrastructure requirements within industry need to be addressed.
3. Marketing and recruitment efforts need to be assisted.
4. Managerial assistance needs to be provided to smaller firms and developing segments within the industry.

The existing industry analysis is augmented by the Target Industry Discovery Program, Phase One, completed by Eiland Research in May 1995, for the Regional Strategies Board and the Portland Development Commission. The report is attached as Appendix 2.

The report provides the results of an economic analysis of the three key industries. It also provides an analysis of interview among regional business leaders in the key industries.

B. Long-Term Industry Benchmarks and Indicators

1. Strong linkages between the high technology industry and educational system providing integration of industry needs into educational curriculum in K-12, community colleges and four year college and universities.
2. Availability of adequate business infrastructure resources within high technology industry to assist start-up companies and growing high technology businesses.
3. Continued industry recognition of the Metro Region's reputation as a leading high technology center.
4. Management and technical assistance programs available for start-up companies, smaller businesses and industry support initiatives.
5. Sustain existing industry employment levels in the region and attract new job growth through industry development.

C. Prioritized list of activities to be addressed

- Activity #1** Support industry development and growth through industry specifics market performance and measurement analysis. Facilitate industry financial support for self-sustaining ongoing performance measures.
- Activity #2** Link education system curriculum to industry requirements. Provide high technology training and education programs for students, educators, and workforce participants. Include strategies which address the secondary through the higher education system.

VIII. Metals Industry Strategy

A. Industry Analysis (SWOT)

In conjunction with representatives of private industry, educational institutions, industry associations, local government and economic development institutions, the Board has determined that the following elements are "missing-links" or areas in need of improvement for the metals industry in the Metro Region:

1. Education, training and workforce development initiatives must be supported.
2. Managerial and technical assistance needs to be provided.

The existing industry analysis is augmented by the Target Industry Discovery Program, Phase One, completed by Eiland Research in May 1995, for the Regional Strategies Board and the Portland Development Commission. The report is attached as Appendix 2.

The report provides the results of an economic analysis of the three key industries. It also provides an analysis of interviews among regional business leaders in the key industries.

B. Long-Term Industry Benchmarks and Indicators

1. Strong linkages between the metals industry and educational system to provide integration of industry needs into educational curriculum in K-12, community colleges and four year college and universities.
2. Increase jobs in the metals industry and attract qualified and motivated workforce participation.
3. Availability of technical and management assistance programs for smaller businesses within the industry.

C. Prioritized list of activities to be addressed

- | | |
|--------------------|---|
| Activity #1 | Pursue activities that might include development of emerging workforce programs related to interest within the metals industry. |
| Activity #2 | Pursue activities that might include entry-level training and current workforce skill upgrade needs within the metals industry. |
| Activity #3 | Increase opportunities for industry expansions. |

IX. Link to Regional Vision, Goals and Industry Barriers

Linkages of specific activities to identified industry barriers are made as follows:

Industry Barriers Linkage	Biotechnology Industry Activities*	High Technology Industry Activities*	Metals Industry Activities*
Availability of properly educated and skilled workers	#2	#2	#1, #2
Improvement in labor force work behavior expectations	#2	#2	#1, #2
Infrastructure needs: wet labs, new business facilities	#1	-	#3
Accessibility of management and technical assistance	(Cross-Industry #1)	#1 (Cross-Industry #1)	(Cross-Industry #1)
Effective marketing and recruitment programs	(Cross-Industry #2)	(Cross-Industry #2)	(Cross-Industry #2)

* Activities indicated by number - see industry strategies for specific details for each activity.

Linkages of activities to long term economic development goals developed by the Metro Region Board are made in each industry by varying degree as follows:

Regional Strategies Goals Linkage		Biotechnology Industry	High Technology Industry	Metals Industry
Goal #1	Create and retain jobs that lead to economic self-sufficiency.	<i>High Degree</i>	<i>High Degree</i>	<i>High Degree</i>
Goal #2	Continuously develop, educate and train workforce.	<i>High Degree</i>	<i>High Degree</i>	<i>High Degree</i>
Goal #3	Link jobs to all region residents	<i>Moderate Degree</i>	<i>Moderate Degree</i>	<i>High Degree</i>
Goal #4	Build regional public and private wealth and economic capacity.	<i>High Degree</i>	<i>High Degree</i>	<i>High Degree</i>
Goal #5	Positively affect low income communities.	<i>Moderate Degree</i>	<i>Moderate Degree</i>	<i>High Degree</i>
Goal #6	Enhance quality of life.	<i>High Degree</i>	<i>High Degree</i>	<i>High Degree</i>
Goal #7	Provide full-range of job opportunities.	<i>Moderate Degree</i>	<i>Moderate Degree</i>	<i>High Degree</i>
Goal #8	Link business needs with educational system.	<i>High Degree</i>	<i>High Degree</i>	<i>High Degree</i>
Goal #9	Create entrepreneurial opportunities.	<i>High Degree</i>	<i>High Degree</i>	<i>High Degree</i>
Goal #10	Link private, education, government sectors to economic agenda.	<i>High Degree</i>	<i>High Degree</i>	<i>High Degree</i>
Goal #11	Attract, expand, retain companies and jobs within key industries.	<i>High Degree</i>	<i>High Degree</i>	<i>High Degree</i>
Goal #12	Equitable distribution of jobs (geographic and socio-economic).	<i>Moderate Degree</i>	<i>Moderate Degree</i>	<i>High Degree</i>

X. 1997-1999 Two Year Action Plan

A. Biotechnology Industry Activities

Activity #1

Create and sustain biotechnology facilities and environmental biotechnology resource and development capacity with the Region. Assist in venture capital marketing campaigns.

Timeframe:

Solicit and secure industry involvement - Ongoing

Solicit and secure industry funding - Ongoing

Assist projects in securing self-sustaining private funding - 6/30/99

Estimated Investment: \$110,000

Potential Funding Partners:

Oregon Bioscience Association

Oregon Biotechnology Innovation Center

Portland Development Commission

Oregon Health Sciences University

Conventional Lenders

Non-profit foundations

Portland Community College

Oregon Environmental Technology Association

Portland State University

Link to Oregon Biotechnology Industry Benchmarks:

- Amount of State funding for early stage capital for biotechnology business development
- Academic spin-off biotechnology companies located in Oregon
- Use of biotechnology to develop new products and process in Oregon's natural resource industries
- Number of out-of-state companies relocating their manufacturing facilities in Oregon

Link to Long-term Goals: 1,2,4,7,8,9,10,11

Performance Measure(s):

- Development and operation of financially self-sustaining facilities and programs.
- Attract two new start-up businesses by 4/98.
- Creation of 20 new jobs by 9/98.
- Attraction of venture capital funding for two companies by 4/98.

Activity #2

Link education system curriculum to industry requirements. Provide biotechnology, environmental biotechnology training and education programs for students, educators, and workforce participants. Increase the information flow about biotechnology and environmental biotechnology industry opportunities to schools and industry.

Timeframe:

Solicit industry involvement in program development - Ongoing
Refine and develop specific training and education programs - 6/98
Implement programs with industry and schools - 6/99

Estimated Investment: \$70,000

Potential Funding Partners:

Oregon Bioscience Association
Oregon Biotechnology Innovation Center
Portland Development Commission
Oregon Health Sciences University
Non-profit foundations
Portland Community College
Oregon Environmental Technology Association
Region 2 Workforce Quality Committee
The Private Industry Council
Public education systems
Portland State University

Link to Oregon Biotechnology Industry Benchmarks:

- Number of technology transfer officers in the three offices in the public university system
- Number of out-of-state companies relocating facilities in Oregon

Link to Long-term Goals: 2,5,7,8,10

Performance Measure(s):

- Formation of industry driven partnerships with educational institutions.
- Stabilized funding for industry curriculum in public education systems.

B. High Technology Industry Activities**Activity #1**

Support industry development and growth through industry specific market performance and measurement analysis. Facilitate industry financial support for self-sustaining ongoing performance measures.

Timeframe:

Completion by 10/98 and 10/99.

Estimated Investment: \$90,000

Potential Funding Partners:

American Electronic Association
Software Association of Oregon
Oregon Multimedia Alliance

Oregon Film & Video Office
Public and private higher education institutions
Public secondary education systems

Link to Oregon High Technology Industry Benchmarks:

- Addresses each of the 14 industry benchmarks identified in Key Industries Benchmarks, Oregon, June 1993.

Link to Long-term Goals: 1,4,7,9,10,11**Performance Measure(s):**

- Link to specific high tech industry benchmarks found in Key Industries Benchmarks, Oregon, June 1993.

Activity #2

Link education system curriculum to industry requirements. Provide high technology training and education programs for students, educators, and workforce participants. Include strategies which address the secondary through the higher education system.

Timeframe:

Continuation of projects begun in 1993-1995 biennium and 1995-1997 biennium - Ongoing

Estimated Investment: \$90,000

Potential Funding Partners:

American Electronic Association
Software Association of Oregon
Oregon Multimedia Alliance
Oregon Film & Video Office
Public and private higher education institutions
Portland Development Commission
Non-profit foundations
Oregon Environmental Technology Association
Region 2 Workforce Quality Committee
The Private Industry Council
Public education systems

Link to Oregon High Technology Industry Benchmarks:

- Number of high tech firms relocating in Oregon measured by employment
- Profit before tax per employee
- Sales per employee
- Industry employment growth; professional and production jobs

Link to Long-term Goals: 1,4,6,7,11**Performance Measure(s):**

- Continued improvement in industry development and performance in Oregon as measured against industry benchmarks found in Key Industries Benchmarks, Oregon, June 1993.

C. Metals Industry Activities

Activity #1

Pursue activities that might include development of emerging workforce programs related to interest within the metals industry, such as:

- Develop a self-sustaining School-to-Work Advocate to oversee Metals School-to-Work Partnerships. Responsibilities would include developing structured apprenticeship/internship programs at Partnership high schools; hosting an educator in-service on national skill standards; seeking further industry sponsorship for tour costs and internships; continuing career fairs; continuing the middle school Ambassador program; and developing a self-sustaining strategy to cover the costs of this function on an ongoing basis.
- Develop an expanded technical career fair (Opportunities in Technology).
- Expand the OATC Survey of Automated Manufacturing program for high school educators.

Timeframe:

7/97 - 12/97 Gain industry commitments and develop the School-to-Work Advocate structure.

1/98 - 6/99 Implement programs with schools and industry.

Estimated Investment: \$70,000

Potential Funding Partners:

Oregon Metals Industry Council
Oregon Precision Metal Fabricators Association
Oregon Advanced Technology Consortium
Industry employers and associations
Organized labor groups
Regional Workforce Boards
Business Education Compact
Public education systems
Community colleges
Federal and State School-to-Work grants

Link to Oregon Metals Industry Benchmarks:

- Percentage of gross payroll spent on training.
- Growth, measured by gross sales within the industry.
- Gross payroll in industry.

Link to Long-term Goals: 2, 3, 5, 6, 7, 8, 10, 12

Performance Measures:

- Minimum of 2 apprenticeship/internship programs are developed at Partnership high schools.
- At least 50 teachers gain in-depth knowledge of national metals skills standards.
- The metals industry establishes the School-to-Work Advocate position by January 1, 1998.
- A strategy to have function be self-sustaining, developed and implemented by June 30, 1999.

Activity #2

Pursue activities that might include entry-level training and current workforce skill upgrade needs within the metals industry, such as:

- Provide assistance for training current workforce in adult basic skills, ESL, and customized training in specific areas, such as CNC machining and CAD.
- Assist the metals industry emerging adult training system within the metro area through activities that could include seeding a self-sustaining training fund, development of core curriculum delivered through all area community colleges, shared on-site training within companies, apprenticeships that move people into increasingly higher skilled positions, employer-worker training/employment “contracts,” development of tool making apprenticeships and development of specialized training centers. Guiding principles for these activities include:
 - Encourage portability of training to worksite.
 - Encourage companies to form consortia to reach economies of scale in the development and delivery of training.
 - Implement national skill standards within all programs.
 - Develop innovative strategies to reach un- and underemployed local residents.
 - Connect local residents to the adult training program funded in 1996-97. Create one-stop access to employers within the metals industry. Target specific populations (i.e. women, immigrant communities).
- Increase training capacity for companies located within the Swan Island and Rivergate areas of Portland.

Timeframe:

7/97 - 12/97 Identify projects to carry out these activities.
1/98 - 6/99 Implement projects.

Estimated Cost: \$100,000

Potential Funding Partners:

Oregon Metals Industry Council
Oregon Precision Metal Fabricators Association
Oregon Cooperative for Manufacturing Excellence
Portland Metro Area Tool and Die Association
Industry employers
City of Portland
Portland Development Commission
Organized labor
Regional Workforce Boards
Community colleges
Oregon Advanced Technology Consortium
Oregon Economic Development Department
Governor’s Office

Link to Oregon Metals Industry Benchmarks:

- Productivity measured by gross sales and sales per employee.
- Growth, measured by gross sales within the industry.
- Gross payroll in industry.
- Payroll per worker.
- Percentage of gross payroll spent on training.

Link to Long-term Goals: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12**Performance Measures:**

- At least three companies upgrade the skills of their current workforce.
- A core curriculum for the metals industry is implemented within all three community colleges in the greater Portland metropolitan area. This curriculum is based on and integrated with national metals industry skill standards and is endorsed by at least 10 companies in the metro area.
- 60 students complete the core curriculum and enter occupations in the metals industry.
- The adult training system project funded by the Regional Strategies Board in the 1995-97 biennium becomes industry-funded on an ongoing basis and at least 50 individuals from under-employed and un-employed populations within Washington and Multnomah Counties are hired, trained and retained within metals companies.
- At least 200 workers in metals companies located in the Swan Island and Rivergate areas of Portland receive skill training which increases their levels of performance on the job.

Activity #3

Identify opportunities for industry expansion:

- Identify physical plant and land expansion needs of the metals industry.
- Identify shortages and constraints and develop strategies to remedy them.
- Increase awareness of expansion opportunities among small and mid-sized companies.

Timeframe:

7/97 and ongoing	Identify industry physical plant and land expansion needs.
9/97 and ongoing	Identify appropriate sites within Multnomah and Washington Counties, shortages and constraints, and strategies to remedy them.
9/97 and ongoing	Increase awareness of expansion opportunities among small and mid-sized companies.

Estimated Investment: \$25,000

Potential Funding Partners:

Oregon Metals Industry Council
Oregon Manufacturing Extension Program
Industry employers
Portland Development Commission
Oregon Economic Development Department
Local area business development associations
Real estate brokers
Utilities
Professional service providers

Link to Oregon Metals Industry Benchmarks:

- Productivity measured by gross sales and sales per employee
- Growth, measured by gross sales within the industry
- Gross payroll in industry
- Percentage of metals sales committed for export

Link to Long-term Goals: 1, 4, 5, 7, 9, 11,12**Performance Measures:**

- Profile the expansion needs of at least two types of metals companies by January 1998.
- Identify at least two constraints to expansion and implement strategies to remedy these.
- Develop, publicize and maintain a database service to industry on land availability.

D. Cross-Industry Activities**Activity #1**

Create business development and growth programs for emerging and/or expanding local companies which include technical assistance resources related to management, production processes, marketing, employee training, capital access, development of supplier networks and overall business practices.

Timeframe:

Self-sustaining and non-state supported by 6/99.

Estimated Investment: \$90,000

Potential Funding Partners:

Industry associations and constituent member companies
Oregon Manufacturing Extension Partnership
Oregon Advanced Technology Consortium
Portland Development Commission
Non-profit foundations
Portland Community College
Mt. Hood Community College
Region 2 Workforce Quality Committee
The Private Industry Council
Portland State University

Link to Oregon Industry Benchmarks:

Link to each industries specific benchmarks as found in Key Industries Benchmarks, Oregon, June 1993, which lead to overarching objectives of maintaining quality of life, development of a positive business climate, and strengthening the state's connections with national and international markets.

Link to Long-term Goals: 1,4,6,7,9,10,11**Performance Measure(s):**

- Continued improvement in industry development and performance in Oregon as measured

against industry benchmarks.

Activity #2

Develop effective industry marketing efforts to address specific industry needs (e.g. venture capitalists) and address specific industry niche opportunities (i.e. supplier strategies).

Timeframe:

Self-sustaining and non-state supported by 6/99.

Estimated Investment: \$90,000

Potential Funding Partners:

Industry associations and constituent member companies
Local economic and community based organizations
Public education institutions and system

Link to Oregon Industry Benchmarks:

- Link to each industries specific benchmarks as found in Key Industries Benchmarks, Oregon, June 1993, which lead to overarching objectives of maintaining quality of life, development of a positive business climate, and strengthening the state's connections with national and international markets.

Link to Long-term Goals: 1,4,6,7,11

Performance Measure(s):

- Development and execution of regional, national and international conferences, trade shows, collateral materials, and other activities in the Region by regional entities.
- Continued improvement in industry development and performance in Oregon as measured against industry benchmarks.

Activity #3

Business Development and Growth - Support the technical assistance available to manufacturers through existing programs by offering a revolving loan fund to help fund costs of technical assistance implementation. Target a revolving loan fund to small to mid-sized firms.

Timeframe:

7/97 - 12/97 Develop loan fund.

1/98-6/99 Implement loan fund.

Estimated Investment: \$100,000 (Regional Strategies seed funding)

Potential Funding Partners:

Industry associations
Individual companies
Financial institutions
Oregon Manufacturing Extension Program
Oregon Metals Initiative
Portland Development Commission
Oregon Economic Development Department

Link to Oregon Industry Benchmarks:

- Percentage of companies having a customer satisfaction index
- Productivity measured by gross sales and sales per employee
- Growth, measured by gross sales within the industry
- Gross payroll industry
- Amount of State funding for early stage capital for biotechnology business development

Link to Long-term Goals: 2, 4, 9, 11**Performance Measures:**

- Loan program is available by 1/98.
- Technical assistance is advertised and promoted.
- At least five loans are made to companies by 6/99.

Activity #4

Education and Training Initiatives - Market the ESL Safety Training Program to all target industry sectors. This program was developed during the 1995-97 Biennium, but the developing community college does not have a marketing budget to acquaint employers with its availability.

Timeframe:

7/97 - 10/97: Develop marketing strategy and materials.

11/97 - 6/99: Market availability of curriculum and trainers.

Ongoing: Engage in continuous process improvement as training sessions are delivered.

Estimated Investment: \$10,000

Potential Funding Partners:

Industry associations

Oregon Manufacturing Extension Program

Portland Development Commission

Community colleges

Oregon Economic Development Department

Link to Oregon Industry Benchmarks:

- Percentage of companies having hazardous materials training.

Link to Long-term Goals: 2,5,10**Performance Measures:**

- At least 10 companies utilize the training program and/or trainers.

XI. Multi-Regional Opportunities

The Multnomah-Washington Counties Regional Strategies Board uses a industry committee structure to develop industry specific, cross-industry, and multi-regional activities. Given the uncertainty regarding Regional Strategies program funding in the upcoming biennium the Board would like to focus available funds on industries specific to this region. If sufficient multi-region monies are available some examples of areas where the Board would focus it's multi-region effort are described below.

- Education and Training Initiatives - Expand the OATC Summer Technology Camp to include welding and tool making. Offer at other locations in collaboration with PCC and Mt. Hood CC. Develop a comprehensive online inventory of education and training programs and resources.
- Develop a supplier network strategy to expand existing industry capacity. Building off of Oregon Metals Competitiveness Strategy research and other studies, work with existing industry to define gaps in local customer/supplier businesses. Develop strategies to assist existing companies address supplier shortages by expanding product lines or services; if unfeasible, recruit industries to fill supplier gaps that cannot be developed locally.
- Create business development and growth programs for emerging and/or expanding local companies which include technical assistance resources related to management, production processes, marketing, employee training, capital access, development of supplier networks and overall business practices.
- Continue biotech/environmental services efforts specifically designed to assist businesses in understanding and achieving compliance with regulatory efforts. Proactively assisting firms in engaging in sustainable business practices.

XII. Strategy Evaluation Plan

This is the evaluation plan for measuring and monitoring strategy performance as part of the proposed regional strategy, as required by OEDD. It is designed to provide an efficient self-feedback mechanism for the Board and the Implementors of the Key Industry activities. Evaluation activities will include both ongoing and formalized involvement of the Key Industries. It is also designed to provide OEDD/Economic Development Commission with appropriate reports and information regarding the cost-effectiveness of the Region's strategies and activities.

The intent of the Board is to require individualized evaluations of activities which provide quality information with as little administrative expense as possible. To minimize evaluation costs, outside audits of activities are not proposed; instead the Board expects accurate pictures of the results of the activity from each contractor with appropriate verification performed by the strategy staff. Evaluation procedures and criteria will be outlined in the contract for each project. In cases where the staff (PDC) is the project implementor, an appropriate evaluation oversight process involving the Key Industry, the Board or an outside oversight group will be utilized, as approved by the Board.

Regarding timeliness of evaluations, this plan contemplates an evaluation of activities undertaken with Regional Strategy funds at the end of each biennium (process evaluation) and an evaluation of the results of the project on the biennial anniversary of the project's funding or the end of the project, whichever is most appropriate (product evaluation). Additionally, the board will conduct less formal progress reviews with the industry associations at least one or two times each year.

In place of "regional benchmarks" the Metro Board selected a regional vision and key components and twelve long-term goals (see Section V - Industry Selection). The draft performance measures identified for the draft activities are linked with the long-term goals identified by the Board; finalized performance measures will be analyzed by the staff to insure appropriate linkage to the Board's long-term goals and the goals of the Oregon Legislature regarding Regional Strategies funding (e.g., family-wage job development/ retention and key industry strengthening/diversification.)

At the end of each biennium, PDC will submit a detailed evaluation report of the previous two-year plan and its projects and the cumulative effects of that two-year plan and any previous two-year cycles of regional strategies funding as regards the Board's long-term goals. The report will include description of the regional, state and global trends impacting the achievement of the Board's long-term goals.

The Board concludes that measuring the effect of the strategies and projects in terms of long-term benchmarks is impractical; factors including global market forces, entrepreneurial competence, luck, federal and state regulations, governmental business climate decisions and other factors will have far greater effect on the macroeconomic statistics than the resources of the regional strategies program. Therefore, the Board will not attempt to measure the effect of the strategy in broad benchmark measures.

Direct and indirect family-wage job impacts of Strategy activities will be estimated in the evaluation of activities and reviewed by the Board. For projects which have a reasonably measurable direct job impact (such as the jobs created/retained by businesses receive technical assistance through the Business Development/Recruitment activities) the contractors will monitor and report on direct job creation/retention of those activities and provide indirect job creation/retention estimates for review by the Board.

For projects which have an indirect job impact (those that lead to the increase in the number of family wage jobs), estimates of indirect job impacts will be provided by contractors in close consultation with the key industries and will be reviewed by the administrator and the Board for reasonableness. Total direct and indirect family-wage job impacts will be included in the cost-effectiveness measures to be devised by Board staff (see below).

The Board will require, through funding contracts with contractors, prudent and professional management of activities. This will include the ability and commitment by the contractor to react quickly to situations when activities are not progressing as expected. Evaluations of the process will likely include simple customer satisfaction surveys when the activity is meeting expectations; if the activity is having difficulty a more stringent evaluation of the process will be required, including focus groups (conducted by outside facilitators if necessary).

CALENDAR OF EVALUATION PLANNING AND IMPLEMENTATION:

June 1, 1997	Strategy application completion.
June 2 - Sept.	Strategy refinement including individual performance measures and evaluation plans finalized for each activity. Staff and board develop cost-effectiveness analysis tool.
April 1, 1997	Preliminary evaluations of activity process prepared for Board review.
May 1, 1997	Evaluations of activity process completed by contractors.
May 15, 1997	Review of process evaluations by staff and Board.
May 1, 1997	Mid-course evaluations of activity process completed by contractors.
May 15, 1997	Review of process evaluations by staff and Board in consultation with industry associations.
October, 1998	Evaluations of product completed by contractors.
November, 1998	Review of product evaluations by staff and Board in consultation with industry associations. Detailed evaluation report of previous biennium projects regarding the Board's long-term goals and/or Regional Benchmarks.
May 1, 1998	Evaluations of activity process completed by contractors.
May 15, 1998	Review of process evaluations by staff and Board in consultation with industry associations.

Reporting to assist OEDD with legislative reports and other requirements will be provided by the staff in consultation with contractors.

XIII. 1997-1999 Rural Action Plan

A. Introduction

The Rural Investment Fund

The Rural Investment Fund was established by the 1995 Oregon Legislature as a component of the Regional Strategies Program to make available to rural areas flexible funds needed to facilitate business development projects, provide gap financing for infrastructure, capacity building activities, and assist grass-roots economic and community development efforts in rural areas.

Administrative Rules for the Rural Investment Fund reflect this mission: "The objective of the Rural Investment Fund is to provide a flexible source of funding to help rural areas finance locally-determined economic and community development projects. It is intended to provide a vehicle by which Regional Boards can leverage other funding sources to the maximum extent possible to improve the economies of rural areas."

The Rules provided examples of activity categories which can improve the economy of rural areas: telecommunications and transportation infrastructure, project feasibility studies, community infrastructure and facilities, workforce development activities and technical assistance for project development and implementation.

Prior to distributing its Rural Investment Fund allocation, Regional Boards are required to develop a Rural Action Plan which "describes how the Region will use the Rural Investment Fund to meet the needs of rural areas consistent with the objectives of the Rural Investment Fund and in cooperation with local development and planning efforts...." The Rural Action Plan must be updated every two years, that is at the beginning of each biennium.

This document is the Rural Action Plan for the Multnomah and Washington County Region for 1997-1999. It has been developed in accordance with the Administrative Rules for the Rural Investment Fund and guidelines established by the Regional Strategies Board and is the product of extensive public outreach conducted over the past fiscal year. Applications for Rural Investment Funds will be selected for funding based on the degree to which they carry out the objectives and meet the selection criteria described in the Rural Action Plan. State and local land use laws, regulations, and policies will apply to selected projects.

The Rural Areas of Multnomah and Washington Counties

The geographic area in Multnomah and Washington Counties eligible for Rural Investment Fund expenditures is the area in both counties outside the Metro Urban Growth Boundary and including the incorporated cities of Forest Grove and Cornelius.

The population of Oregon increased by 10.2% between 1990 and 1995. Thirty-four of the 36 counties in the State have gained population. The combined Multnomah and Washington Counties population also increased by 10% between 1990 and 1995. Washington County increased by 58,446 and Multnomah County increased by 42,613 people. The 1995 population estimate for the two county region is 996,500, an increase from 895,441 in 1990.

The population in the two counties outside the Metro UGB has been estimated for the 1994 population. The 1994 population estimate for the two county region residing outside the Metro UGB and including Forest Grove and Cornelius was 68,582. The population in Multnomah County outside the UGB is 12,032. In Washington County that population is 56,550.

The population in Multnomah County outside the Metro UGB resides in unincorporated areas and includes the communities of Corbett, Springdale, and Sauvie Island.

In Washington County, the population outside the Metro UGB resides in five incorporated areas as well as unincorporated areas. The rural population in Washington County incorporated areas increased by almost 12% between 1990 and 1995, from 21,805 to 24,420. Washington County's rural communities function as farm service communities but increasingly absorb growth attributable to growth in the non-farm economy.

The five incorporated areas in Washington County in the Rural Action Plan area include:

<u>City</u>	<u>1995 population</u>	<u>Increase from '90</u>
Forest Grove	14,755	8.8%
Cornelius	7,220	17.0%
Banks	575	2.0%
North Plains	1,245	28.0%
Gaston	625	11.0%

The Multnomah/Washington County Region has the most diverse economy in the State. All thirteen of Oregon's key industries are represented in the region's economy.

The Oregon Employment Department predicts that employment in the Portland Metropolitan Statistical Area (PMSA) will continue to grow faster than both Oregon and the U.S. through the year 2005. Growth in manufacturing employment will be considerably faster than the national rate of growth of manufacturing jobs. Factory jobs are expected to rise by 13 percent over the next ten years. Construction growth in the Portland PMSA will also continue to outpace the nation. Nearly half the total number of jobs created over the next ten years are expected in the service industry. In today's economy the service industries actually contain many more professional and technical occupations than service occupations.

The rural areas of the region include two of the most significant tourism attractions in the state, The Columbia Gorge National Scenic Area and Multnomah Falls in Multnomah County, and one of the state's top five agricultural counties. Agriculture is a leading Oregon industry and a leading export industry, generating \$3 billion in gross farm sales in 1995. In 1995, Washington County ranked 5th in the state in gross farm sales with sales of \$183.5 million and 4th in gross crop sales with sales of \$164.6 million. Although considered primarily an urban county, Multnomah County is 17th out of 36 counties in the state in total gross farm sales. Both counties are significant contributors to the nursery industry. Washington County ranked second in the state in 1994 in gross nursery sales and 3rd in number of nursery operation. Multnomah County is 5th in the state in gross sales and 4th in the number of nursery operations. The top five counties account for 87% of the total nursery production in Oregon.

Agriculture is not included in most employment data series because substantial portions of agricultural employment is not covered by unemployment insurance. Because employment statistics generated from covered employment records are a primary measure of the economy the importance of agriculture can be overlooked even though it is a major goods producing sector of the economy. Agriculture is a well-established industry and does not exhibit the rapid growth seen in some emerging industries. The importance of agriculture to the state economy

is clear. The 1996 Regional Economic Profile prepared by the Oregon Employment Department provides another measure of its importance to the regional economy. The publication projects that the "agriculture, forest, and fishing" occupational group will grow by close to 30% between 1995 and 2005 in the three county area including Clackamas, Multnomah, and Washington Counties. The occupational grouping includes occupations which may not be covered by unemployment insurance and is more reflective of the farm and nursery jobs which the regional economy can be expected to generate.

B. Methodology for Developing the Plan

The Administrative Rules for the Rural Investment Fund require that Regional Boards solicit input and participation of rural areas and rural interests. Boards are also required to consider the interests of community planning efforts, special districts, Indian tribes, Regional Workforce Quality committees and other workforce development groups.

The Multnomah/Washington County Regional Board held public meetings in the Rural Action Plan area to solicit input from rural interests. The meetings were publicized in The Oregonian and community newspapers and invitations were sent to local governing bodies and a broad spectrum of agencies and organizations involved in rural issues.

The public meeting discussions are the foundation for the objectives statements in the Rural Action Plan. The citizens of Multnomah and Washington counties presented a broad spectrum of well thought out and articulated needs and issues.

The Multnomah/Washington County Regional Board established two additional guidelines for the Rural Action Plan.

The Board continued with the policy it established during the development of its Six-Year Regional Strategic Plan. To assure consistency and coordination of strategic direction and avoid duplication of efforts, a review of regional planning documents directed to aspects of the rural economy was conducted by the Board and staff.

The Board considered consistency between the Rural Action Plan and the Regional Six-Year Strategic Plan an important aspect of the Regional Strategies Program. The Strategic Plan was reviewed along with the findings of the public meetings and regional planning documents. Consistent themes and goals were identified. Linkages between the Six-Year Strategic Plan and the Oregon Benchmarks targeted in the Strategic Plan are noted in the Rural Action Plan objectives statements.

C. The Six-Year Regional Strategic Plan

The Regional Board believes that the vision statement developed during the Six-Year Strategic Plan process reflects the vision of the rural interests in the region as well. The vision is reiterated as the guiding principal of the Rural Action Plan.

"TO PROMOTE A DIVERSE AND SUSTAINABLE ECONOMY"

The Regional Strategic Plan vision statement includes several components and a series of goal statements. These will be linked to the Rural Action Plan objectives.

Regional Documents Relating to the Rural Economy

The following documents have been reviewed in conjunction with the public meeting findings to assure consistency and avoid duplication.

On August 10, 1995, the Board of County Commissioners for Multnomah County adopted the East Sandy River Rural Area Plan Scoping Report. The Report is a foundation document for the East of Sandy River Rural Area Plan now in preparation, one of a series of land use plans for the rural areas of Multnomah County. The Plan area includes the Rural Action Plan area.

The Sauvie Island/Multnomah Channel Rural Area Plan Scoping Report dated August, 1995 is also one of the series of land use plans for the rural areas of Multnomah County and includes the Rural Action Plan area.

The Columbia-Pacific Economic Development District of Oregon, Inc. includes an area in Western Washington County which is also part of the Rural Action Plan area. The District prepared an Overall Economic Development Program (OEDP) which was published in July, 1995.

The Washington County Comprehensive Plan Rural/Natural Resource Plan Element published in November, 1990 was also reviewed in conjunction with the public meeting findings.

D. The 1997-1995 Rural Action Plan for Multnomah and Washington Counties

The purpose of the 1993-1999 Six-Year Regional Strategic Plan was to link the region's vision and long term goals to the means to overcome barriers to development. Development in terms of the Six-Year Plan meant development in the three selected key industries.

Development in the Rural Action Plan means community and economic development generally. The Legislation and the Administrative Rules do not limit the program to an industry focus.

The Rural Action Plan is also intended to provide the linkage between the regional vision and goals and the means to overcome barriers to development. The objectives statements below address those barriers.

Examples from the public meeting discussions of projects that could implement objectives are included with each objective statement. The examples are not inclusive and all projects submitted for funding will be considered.

OBJECTIVE 1: IMPROVE THE ABILITY OF RURAL COMMUNITIES TO MEET GROWING NEEDS FOR SOCIAL AND PHYSICAL INFRASTRUCTURE

Linkage to Oregon Benchmarks

Support outlays for public infrastructure

Strategic Plan Vision

Livability - environmental quality maintained, widespread prosperity, support social and physical infrastructure

Strategic Plan Goals

- Goal 4 - Build regional public economic capacity
- Goal 5 - Positively affect low income communities
- Goal 6 - Enhance quality of life
- Goal 12 - Equitable distribution of jobs

Examples: City Halls, libraries, and community centers. Recreation and athletic facilities for schools, small area sewerage systems, emergency facilities, water storage.

OBJECTIVE 2: IMPROVE THE CAPACITY OF RURAL COMMUNITIES TO PLAN FOR CHANGE

Linkage to Oregon Benchmarks

Support outlays for public infrastructure

Strategic Plan Vision

Livability - environmental quality maintained, widespread prosperity, support social and physical infrastructure

Strategic Plan Goals

- Goal 4 - Build regional public economic capacity
- Goal 5 - Positively affect low income population
- Goal 6 - Enhance quality of life
- Goal 12 - Equitable distribution of jobs

Examples

Planning for transportation systems, traffic safety and infrastructure, growth boundary changes. Property and building rehabilitation. Project development to address complicated issues.

OBJECTIVE 3: IMPROVE THE ENVIRONMENT FOR BUSINESS OPPORTUNITIES IN RURAL COMMUNITIES

Linkage to Oregon Benchmarks

Improve economic opportunities, a diverse and productive industrial base

Regional Vision

Jobs - Equitable distribution of jobs, attract/expand/maintain jobs

Livability - Widespread prosperity

Regional Goals

- Goal 3 - Link jobs to all region residents
- Goal 4 - Build regional private economic capacity
- Goal 5 - Positively affect low income communities
- Goal 6 - Enhance quality of life
- Goal 7 - Provide full range of job opportunities
- Goal 9 - Create entrepreneurial opportunities
- Goal 12 - Equitable distribution of jobs

Examples *Property rehabilitation, revolving loan programs, workforce training in agriculture industries. Efficient, coordinated permitting processes.*

OBJECTIVE 4: SUSTAIN THE AGRICULTURAL ECONOMY

Linkage to Oregon Benchmarks
Develop diverse and productive industry, competitiveness in global business

Regional Vision
Jobs/Employment - equitable distribution, tied to business opportunities
Economy - global economy, attract/maintain business

Regional Goals
Goal 4 - Build regional private economic capacity
Goal 7 - Provide full range of job opportunities
Goal 10 - Link government sector to economic agenda

Examples *Develop mechanisms to insure integrity of farm and forestry lands.*

OBJECTIVE 5: DEVELOP QUALITY JOB OPPORTUNITIES IN THE AGRICULTURAL INDUSTRY

Linkage to Oregon Benchmarks
Competitiveness in global business, build a superior, world class workforce

Regional Vision
Jobs/Employment - tied to business needs/opportunities, attract/expand/maintain jobs
Training/Education - sustainable, impacts existing residents
Livability - widespread prosperity
Economy - diverse based on knowledge and skills, global,

Regional Goals
Goal 1 - Create and retain jobs that lead to economic self sufficiency
Goal 2 - Continuously develop, educate and train workforce
Goal 3 - Link jobs to all region residents
Goal 5 - Positively affect low income communities
Goal 6 - Enhance quality of life
Goal 7 - Provide full range of job opportunities
Goal 12 - Equitable distribution of jobs

Examples *Community infrastructure, workforce training for agriculture industries, property rehabilitation, revolving loan programs.*

E. Selection Criteria for Rural Investment Fund Projects

The Administrative Rules for the Rural Investment Fund establish criteria for evaluating projects for funding. The Multnomah/Washington County Regional Board has added two criteria (E and F).

- A. Priorities in rural areas that have the greatest economic challenges.
- B. Whether monies from the Rural Investment Fund will fill a gap in financing for the proposed project.
- C. The extent to which monies from the Rural Investment Fund will leverage other resources through public or private partnerships.
- D. The degree to which the applicants for funding have established measurable economic outcomes that can demonstrate, through specific performance measurements, progress towards achievement of goals and objectives of the Rural Investment Fund.
- E. The capacity of the application to successfully carry out the proposed Rural Investment Fund project.
- F. The degree to which the proposed project is ready to proceed and can demonstrate timely results.

F. Selection Process

The Regional Board will develop application materials and solicit applications during August, September and October of 1997. Complete applications will be reviewed. Project awards are expected to be made by November 1997.

Projects will be evaluated on the degree to which they meet the six criteria. In addition to these criteria projects will be evaluated on how well the project carries out an objective(s) established for the Rural Investment Fund.

Managers of projects receiving funding can expect to complete quarterly reports detailing accomplishments, challenges and overall progress of the project.

Appendix A - Participants in Metro Region Process

Aerospace Industry Participants

Paul Meyerhoff	Aerospace Industry Association of Oregon
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Agriculture Industry Participants

Eric Azariah	Oregon Department of Agriculture
Cathi McLain	Oregon Department of Agriculture
Ray Steinfeld	Steinfeld Pickles Company

Biotechnology Industry Participants

Barbara Anderman	Oregon Bioscience Association
Larry Simonsmeier	Oregon Bioscience Association
David Clark	Perkins Coie
Dean Kruse	Portland Community College
Dr. Nanette Newell	Oregon Biotechnology Association
Richard Polley	Klarquist, Sparkman - Attorneys at Law
Richard Sessions	Vollum Institute, OHSU
Dr. George Weber	Wesman Foods, Inc.

Environmental Services Industry Participants

David Welch	Oregon Environmental Technology Association
Andy Sloop	Metro Regional Services

Film & Video and Multimedia Industry Participants

David Woolson	Oregon Film & Video Office
Pat O'Brien	Oregon Multimedia Association
Erika Polmar	Oregon Multimedia Association

High Technology Industry Participants

Mike Bosworth	OrCad, Inc.
Jim Craven	American Electronics Association
Charmagne Ehrenhaus	Lintner Center
Bob French	Intel
Jim Hurd	Planar Systems, Inc.
Sandy Hogan	Software Association of Oregon
Bruce Schafer	PC-Kwik, Inc.
Kyle Richey-Noel	American Electronic Association

Metals Industry Participants

Kathleen Curtis Dotten	Oregon Metals Industry Council
Dan Ten Eyck	Reynolds Metals
Warren Rosenfeld	Calbag Metals
John Seaver	Oregon Precision Metal Fabricators Association
Vicki Tagliafico	Oregon Steel
Howard Werth	Gunderson

Software Industry Participants

Sandy Hogan	Software Association of Oregon
Bruce Schafer	PC-Kwik, Inc.

Tourism Industry Participants

Court Carrier	Mt. Hood Community College
Carol Clark	Washington County Visitors Association
Cletus Moore	Urban League

Other Participants

Mark Clemons	Portland Development Commission
Elaine Cogan	Cogan, Owens, Cogan Consultants
Marcia Douglas	Portland City Schools
Jerry Gillham	City of Gresham
Elizabeth Goebel	City of Portland
Steven Goebel	City of Portland
Marcy Jacobs	Oregon Economic Development Department
Betty Mills	Gresham Chamber of Commerce
Lisa Nisenfeld	Portland Development Commission
Janet Young	Tualatin