

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-152

Approving the 2003-05 Regional Investment Strategy of the Multnomah-Washington Regional Investment Board

The Multnomah County Board of Commissioners Finds:

- a. The 2003-05 Multnomah-Washington Regional Investment Strategy charts the means by which the Regional Investment Board will implement the Regional and Rural Investment Programs for the 2003-05 biennium, 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. 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 Strategy.
- c. Oregon Revised Statute 285B.242 requires a public hearing in each county followed by a vote by the governing body of each county to recommend the Regional Investment Strategy to the Governor.

The Multnomah County Board of Commissioners Resolves:

1. The Board approves the 2003-05 Multnomah-Washington Regional Investment Strategy.

ADOPTED this 21st day of October, 2004.

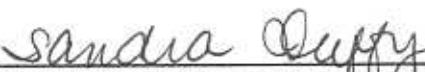


REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

By 
Sandra N. Duffy, Assistant County Attorney

**Multnomah-Washington
Regional Investment Strategy
2003-05**

Multnomah-Washington Regional Investment Board

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Introduction

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.

The 2003-05 Regional Investment Strategy charts the means by which the RIB will implement the program this biennium. This strategy draws upon previously adopted versions of the Multnomah and Washington County Regional Investment Plan (originally approved in February 2001 and later updated in February 2002) while responding to program revisions made by the 2003 Legislature.

It is intended to serve as an update of economic development priorities, and to provide goals and performance measures to guide investment of the Multnomah-Washington Regional and Rural Investment funds.

1. Long-Term Goals

Within the parameters of the evolving structure of the Regional Investment Program, the Multnomah-Washington Regional Investment Board will continue to focus on the two long-term goals identified as priorities in the 2001-03 Plan:

Goal #1 – Regional Economic Competitiveness

- 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 to develop emerging clusters
- Assist with making this region a location of choice for firms in existing and emerging industry clusters

Goal #2 – Community Economic Development

- Increase the wealth and well-being of distressed and lagging communities and populations and their individual households and businesses

2. Investment Strategy

The RIB will advance the two goals stated above by investing in a corresponding project for each. These investments will leverage existing resources and capacity.

A. Regional Investment Projects

Goal #1 will be addressed by funding activities of the Regional Economic Development Partners. 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.

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 Investment Program and presents the opportunity to leverage sizable collaborative resources and efforts for improving the regional economy. Part of the region's Rural Investment funds may also be invested through the Regional Partners.

Goal #2 will be addressed by investing in a micro-enterprise loan program. The program will provide 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.

The 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. By subcontracting with an entity that has an established record of operating a loan program, we will expand opportunities for job creation in a traditionally underserved part of the business community. Part of the region's Rural Investment funds may also be invested through the micro-enterprise loan program.

B. Criteria for Use of Regional Investment Funds by Grantees

Regional Partners

The fundamental components of this project are as follows:

- Half 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.
- Regional Partners will provide grants 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 may receive a grant from the RIB. Grants may be disbursed only after the execution of a memorandum of understanding that specifies the business's plan for meeting job creation/retention, investment and other criteria that may apply to the project. The Regional Partners Executive Committee will serve as the review board for project proposals and funds will only be disbursed after the Executive Committee approves a proposal.
- Regional Partners will report quarterly to the RIB regarding investments and outcomes.

Micro-Enterprise Loan Program

- Half of the Regional and Rural Investment funds (less the administrative allowance) will be invested through the micro-enterprise loan program.
- Regional Investment funds allocated to the micro-enterprise loan program are to be used to stimulate job creation in minority, women and emerging small businesses (MWESB). Loans

funded by the RIB may be granted only to businesses operating in Multnomah or Washington County.

- The RIB will conduct an RFP process to identify qualified entities and ultimately select one to administer the micro-enterprise loan program. The entity whose proposal best meets the RFP evaluation criteria as developed by the RIB will be selected to administer the program.

C. Program Performance Measures

In response to policy guidance found in HB 2300, as adopted by the 2003 Oregon Legislature, the Regional Investment Board will focus 2003-05 funds on investments that result in:

- Creation of new jobs
- Retention of existing jobs that are in danger of loss
- Attraction of additional capital investment in the region

The RIB will hold grantees to the following minimum performance goals in their use of Regional and Rural Investment funds in the 2003-05 biennium:

Long-Term Job Creation and Retention

Regional investments in the 2003-05 biennium will lead to the creation or retention of a minimum total of **141 jobs**. It is anticipated that all of these jobs will be created or retained as a result of indirect regional investments over a longer period of time.

No investment in short-term job creation is anticipated since funds will be allocated to businesses through other entities. A majority of the jobs created or retained as a result of regional investments will exceed the average wage for the county in which they are located.

Leverage from Long-Term Investments

Projects funded by the RIB in the 2003-05 biennium will leverage a minimum of \$5 in additional non-state investment for each \$1 in program funds, for a total of \$3,569,020. Leverage can be in the form of equity or in-kind match, but must be easily quantifiable and well documented.

There are no short-term leverage targets because all funds and leverage will be allocated to other entities.

3. Resources Available and Developmental Needs

Following is an accounting of the region's social and economic resources. Also presented is a statement of developmental needs and barriers to plan implementation that are present in the region.

A. Resource Inventory

- 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:
 - ✓ 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:
 - ✓ 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)
- 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
- Emerging model of regional collaboration and strategic thinking through the Regional Economic Development Partners

B. Development Needs / Barriers to Implementation

- Continuing high rate of unemployment
- Reduction in the business base, particularly high tech and manufacturing
- 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
- Ongoing needs to expand transportation and infrastructure capacity
- 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 are a barrier to business recruitment, retention and expansion

- Tight supply of readily developable industrial land

4. Long-Term Implementation Strategy

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.

Specific activities will include:

- Local governments – 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 Investment Strategy.
- The Private Sector – Business associations and individual firms will contribute to the plan's implementation in two main ways. First, through continued participation by associations and large firms in the Regional Economic Development Partners, and second, through the participation of small businesses in the plan's Micro Enterprise loan program. Notably, businesses can best support the plan by making available the resources needed to meet the plan's match and leverage goals. Private sector support for the plan will also include leadership and oversight through membership on the RIB.
- State government – Continued coordination, communication and collaboration around both regional and small business strategies between state agencies and local partners will be another key to the success of this plan. 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. Specifically, OECDD technical assistance will be essential to establishing the Micro Enterprise loan program.
- Federal Government – The federal government will contribute to the plan'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 installation.

5. Short-Term Implementation Strategy – 2003-5 Biennium

Short-term activities in support of the plan's implementation will be led primarily by the RIB and aided by local and regional government agencies, along with the private sector. Their efforts will focus on the following priority activities:

- Priority Activity #1 – Diversify, grow and retain employment in the region's established and emerging traded sector industry clusters.

- Priority Activity #2 – Assist with business formation, retention and expansion efforts in distressed and lagging communities, particularly Minority, Women and Emerging Small Businesses (MWESB).
- Priority Activity #3 – Assist with efforts to spur economic development in rural areas.

6. Rural Investment Strategy

Rural Investment Funds will be utilized within the same structure as regional 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.

7. Involvement of Disadvantaged and Minority Groups

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 seek to address the needs and issues of disadvantaged and minority groups.

- 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 Investment funds will be required to ensure opportunities for disadvantaged and minority workers, contractors and suppliers.
- The plan's micro-enterprise loan program will make business loans available to emerging women and minority-owned small businesses that may otherwise have difficulty in securing funding.

8. Management Plan

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.

To enable ongoing RIB oversight of plan implementation in a more specialized manner, the RIB will organize into two subcommittees – one focused on Regional Economic Competitiveness, the other on the Micro-Enterprise Loan Program. Each subcommittee will meet as needed to review program activities and track the investments toward achievement of this plan's performance goals.

Multnomah County has been designated fiscal agent and will manage 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.

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.

9. Funding Overview

Total funds available for the Multnomah-Washington Regional Investment Program are \$703,804. The funds will be utilized as follows between the Regional and Rural Investment areas:

Regional Investment: \$620,443

- Regional Economic Competitiveness: \$279,221
- Community Economic Development: \$279,221
- Administrative costs (allowable): 10% or \$62,000

Rural Investment: \$83,361

- Administrative costs allowable, no cap

10. Evaluation Plan

To ensure the effectiveness of the Multnomah-Washington Regional Investment Strategy, program activities will be monitored and evaluated. The RIB will have oversight over the activities of the Regional Partners and the micro-enterprise loan program. Quarterly updates from each group documenting grants and loans made, moneys leveraged and job creation goals for each project funded will be evaluated by the RIB subcommittees against the performance measures set out in this plan. Periodic performance reports will provide an opportunity for examination of the progress toward successful implementation of this plan.