

Business Oregon

House Economic Development and Trade Committee
February 2017



Business Oregon

VISION

Prosperity for all Oregonians.

MISSION

We invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy.

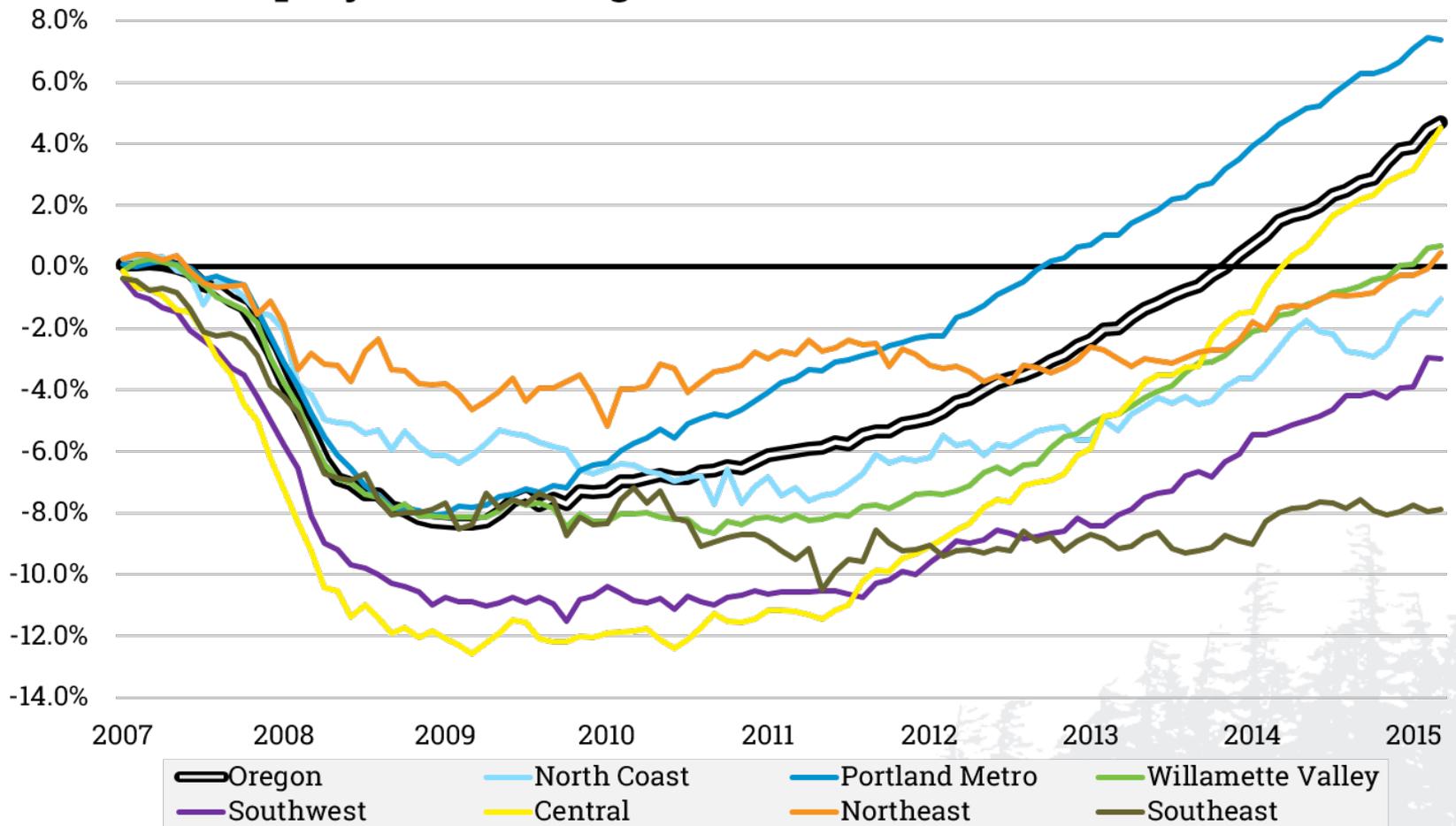
Economic Snapshot

“Oregon a Picture of Economic Health”

- Top 10 Personal Income Growth
- Top GDP growth 2015 over 2014
- Exported \$21B last year, most ever
- Top ten states for new startups seeking funding
- Added 107,800 since pre-recession peak.
Unemployment at 4.6%.

Broad Narrative an Incomplete Picture

Employment Change Relative to Pre-Recession Peak



Source: Oregon Employment Department, Current Employment Statistics, Oregon Series.

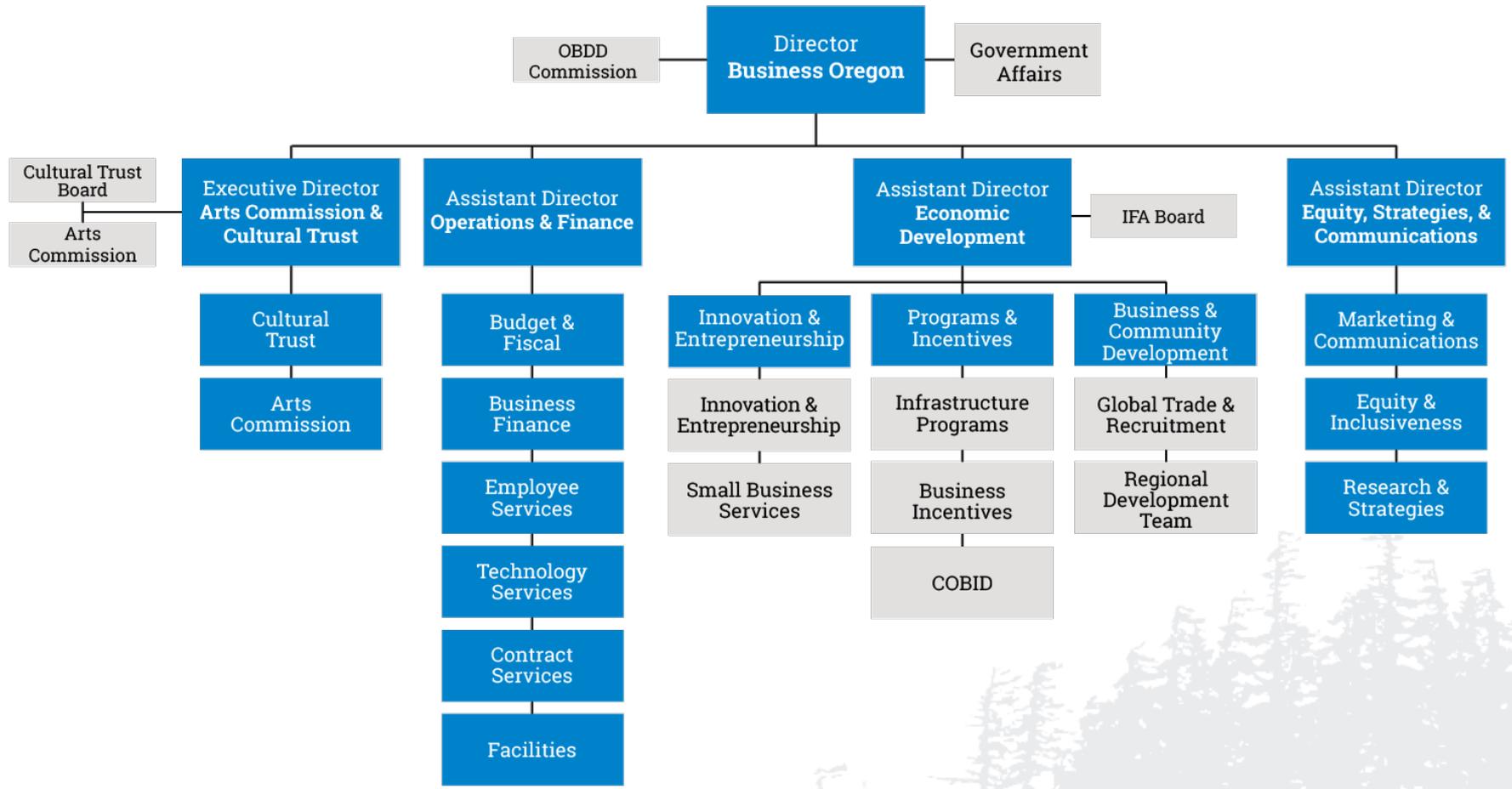
Strategic Priorities

- Grow our Own
- Rural Community & Infrastructure Development
- Economic Opportunity for Underserved Populations
- Small Business Growth and Innovation
- Quality Job Creation

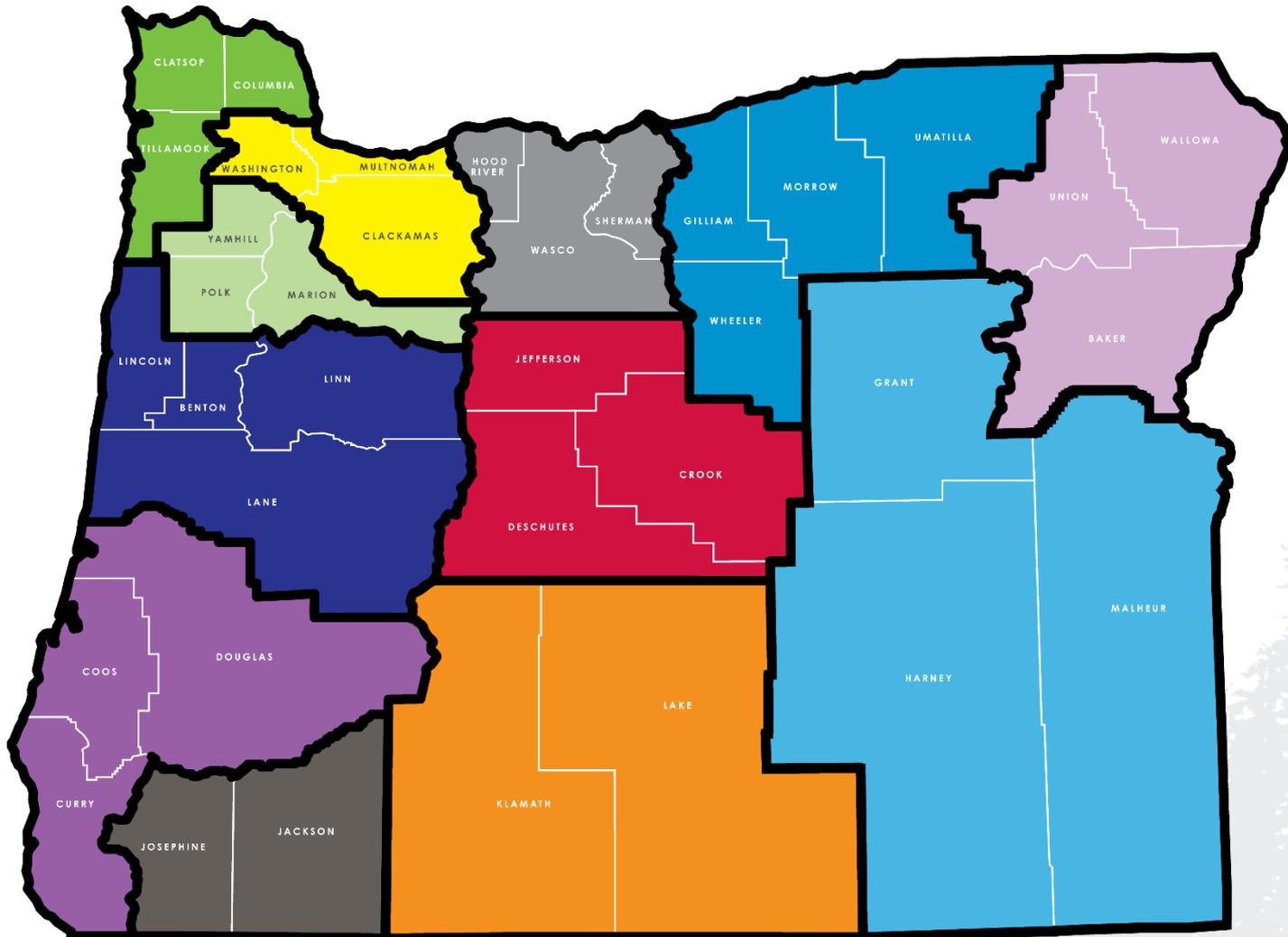
Key Performance Measures

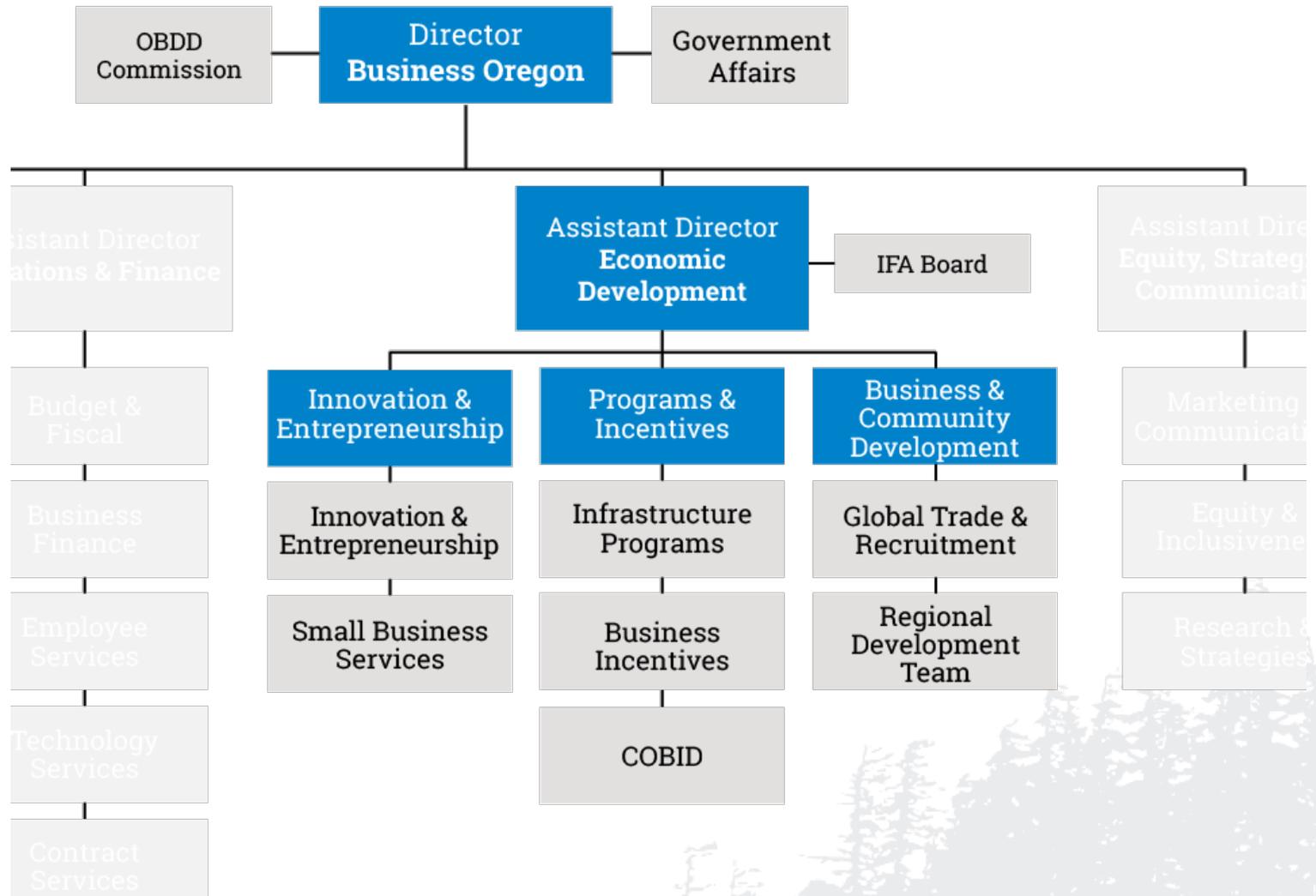
1. Jobs Created
2. Jobs Retained
3. Personal Income tax generated
4. New Export Sales
5. Fed contracts to GCAP recipients
6. New industrial sites certified project-ready
7. # of planning projects funded
8. # of public health and safety infrastructure projects financed
9. # of economic development infrastructure projects financed
10. Customer service rating

AGENCY STRUCTURE & PROGRAMS



Our Service Regions





BUSINESS DEVELOPMENT

Target Industries

- Advanced Manufacturing
- Food and Beverage
- Forestry and Wood Products
- High Tech
- Outdoor Gear and Apparel
- Business Services

Retention, Expansion & Recruitment

- One-stop services for retention, expansion & recruitment projects:
 - Coordinate with federal & local/regional partners
 - Clarify and facilitate regulatory solutions
 - Business financing & incentives
 - Identify consulting services for lean and high-performance manufacturing
 - Align workforce development resources
 - Site and infrastructure development

Business Finance Loans

- **Oregon Business Development Fund**
Direct loans to small businesses, preference to rural and distressed areas, must be manufacturing or distribution.
- **Entrepreneurial Development Loan Fund**
Smaller direct loans to help start-ups and micro-enterprises. Must also be enrolled in local business counseling program.
- **Capital Access Program & Credit Enhancement Fund**
Forms of loan guarantees and loan loss fund. Works with private lenders to make more loans to small businesses.
- **Small Business Expansion Program**
Pilot program allows businesses to pay a periodic revenue payment based on sales.

Global Trade

- \$20.1 Billion in Exports (2015)
- 96,000 Oregon jobs depend on trade
- 6,000 companies export goods
- 88% of those are small businesses

Trade Priorities

Top Export Destinations:

1. China
2. Malaysia
3. Canada
4. Vietnam
5. Japan

Top Export Products

1. Electric Machinery, Sound Equip., TV Equip. Parts
2. Industrial Machinery, Including Computers
3. Optics, Photo equip., Medical and Surgical Instruments
4. Cereals (mostly wheat)
5. Vehicles, Except Railway Or Tramway, and Parts

Global Trade Programs

- Export Promotion
 - Export Promotion Grants
Small (<\$5k) matching grants for businesses to market their goods in foreign markets.
 - Trade Shows
- Agency and Governor Trade Missions
 - Foreign Direct Investment
 - Doing Business in Oregon Seminars
- Overseas Representatives

BUSINESS INCENTIVES

Tax Incentives

- **Enterprise Zones**

Local property tax abatement in exchange for new investment. Job creation requirements. Administered locally.

- **Strategic Investment Program**

For very large capital investments, longer term property tax abatement

- **Oregon Investment Advantage**

Exempts income tax for new operations that don't compete with existing firms. have job creation and wage requirements. Only in distressed counties per program.

Other Incentives

- **Strategic Reserve Fund**

Flexible tool for job-creating projects, actionable research, or capacity building.

- **Business Expansion Program**

Forgivable loan for expanding companies adding at least 50 new jobs at 150% local wage. Loan = estimated tax revenue from the new jobs.

- **Solar Development Incentive**

Brand new program created by the 2016 Legislature, provides incentives to photovoltaic energy system developers.

Business Certification

- **Certification Office for Business Inclusion and Diversity (COBID)**

COBID certifies firms as minority or women-owned for greater access to contract opportunities.

**COMMUNITY
INFRASTRUCTURE**

Infrastructure Finance Programs

- **Special Public Works Fund**

Funds construction or planning for publicly-owned facilities. Mostly loans, with some grants available. Fund of \$243M.

- **Water/Wastewater Fund**

Funds design and construction of systems to comply with clean water regulations. Revolving loan fund of nearly \$125M.

- **Safe Drinking Water Revolving Loan Fund**

Funds improvements to be compliant with Fed Safe Drinking Water Act. Fed EPA funded, with 20% match from state.

- **Community Development Block Grants**

Funds economic development and housing projects in rural, lower income areas. Fed HUD funds.

Infrastructure Programs

- **Ports Funds and Planning**

Funds facility construction, infrastructure, planning.

- **Industrial Lands and Brownfields**

Certifies industrial sites as “project-ready” and funds Brownfields redevelopment.

- **Seismic Retrofit Program**

Grants for schools and emergency services buildings. \$110 funded, \$155 in Spring 2017.

INNOVATION & ENTREPRENEURSHIP

Innovation & Entrepreneurship



PROGRAMS & INITIATIVES

INNOVATION



CAPITAL



ECOSYSTEM

OREGON INNOVATION COUNCIL

- Signature Research Centers
- SBIR/STTR Matching Grant
- Commercialization Fund
- High Impact Industry Investments

- Oregon Mfg. Innovation Center (OMIC)

METRICS:

Investment Leverage
Industry R&D
Product Commercialization

OREGON GROWTH BOARD

- Oregon Capital Scan
- OGA: Institutional VC
- OGF: Early-Stage Impact Investing

METRICS:

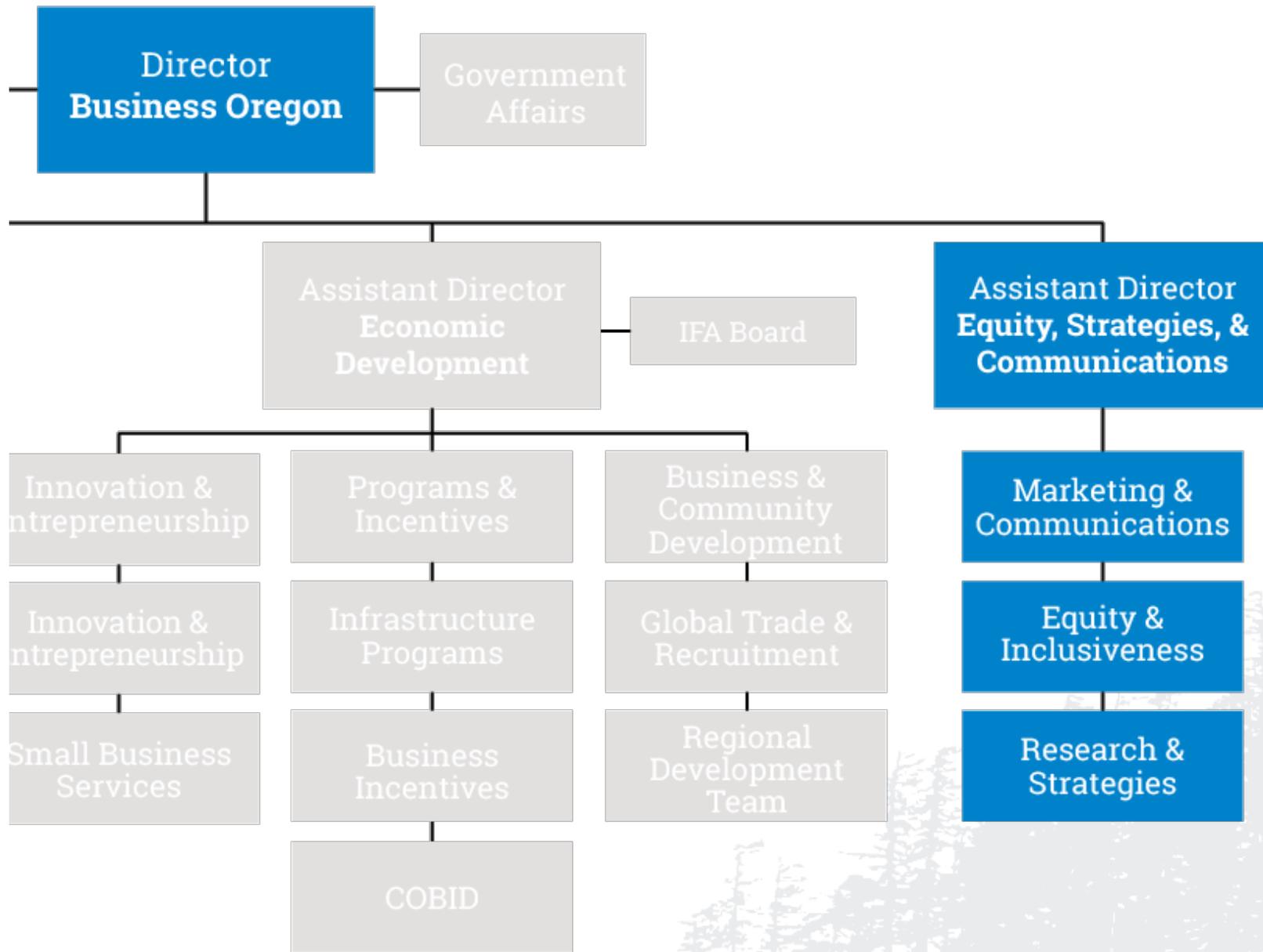
IRR
Investment Leverage
Oregon \$ Deals

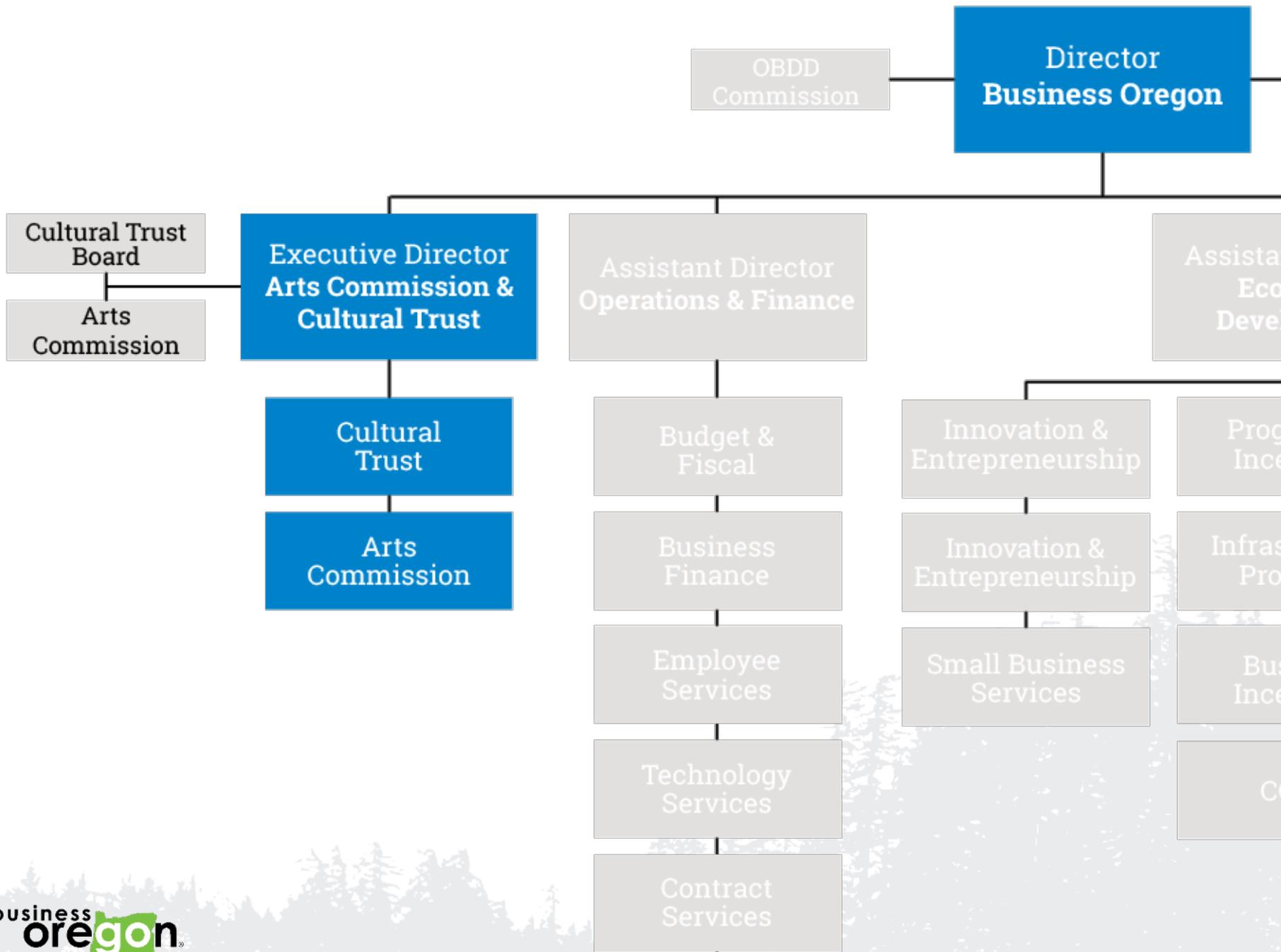
STATEWIDE ADVISORY COMMITTEE

- Small Business Development Centers (SBDCs)
- Small Business Marketplace
- InventOR Competition
- Rural Opportunity Initiative (ROI)

METRICS:

Jobs
New Business Starts
Local Sustainability





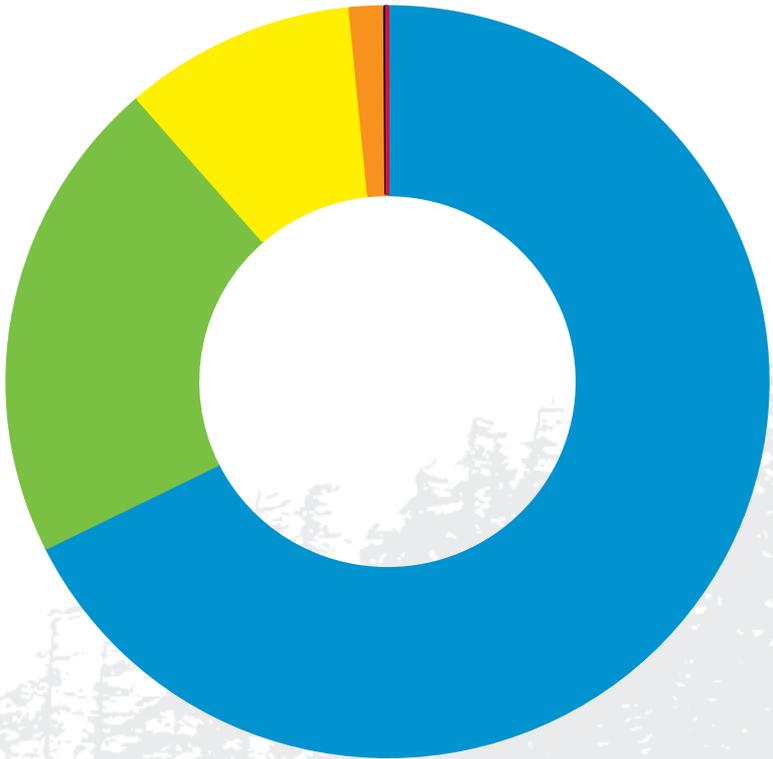
AGENCY BUDGET

Budget / by use

2017-19 Governor's Recommended Budget

Total budget: \$1.03 Billion

- Infrastructure (mostly bonding)
\$696m / 67%
- Business, Innovation, Trade
\$215m / 21%
- Debt service
\$101m / 10%
- Arts & Culture
\$15m / 1%
- Operations
\$8.8m / 0.8%
- Film & video
\$1m / 0.2%





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