MEMORANDUM OF UNDERSTANDING
CONCERNING FORMATION OF
PACIFIC NORTHWEST MANUFACTURING PARTNERSHIP

This document constitutes a memorandum of understanding ("MOU") between Oregon and Southwest Washington manufacturing and economic development stakeholders ("Parties" and "Executive Committee"), including the State of Oregon, acting by and through its Business Development Department ("Business Oregon"); to establish an network hereby referred to as Pacific Northwest Manufacturing Partnership ("Network").

1) **DEFINITIONS** – The following definitions apply unless the context requires otherwise:

   a) "Manufacturing business ecosystem" means an economic community supported by a foundation of interacting organizations and individuals—the organisms of the business world. The economic community produces goods and services of value to customers, who are themselves members of the ecosystem. The member organisms also include suppliers, lead producers, competitors, and other stakeholders. Over time, they coevolve their capabilities and roles, and tend to align themselves with the directions set by one or more central companies. Those companies holding leadership roles may change over time, but the function of ecosystem leader is valued by the community because it enables members to move toward shared visions to align their investments, and to find mutually supportive roles.

2) **PURPOSE** – Pursuant to this agreement, the Parties will develop an manufacturing business ecosystem network known as the Pacific Northwest Manufacturing Partnership, that unifies and leverages the historic and emerging strengths of the region’s manufacturing and innovation community through a consortium that will build off the region’s tradition of stewardship, ethos of discovery and innovation and systems thinking to attract new manufacturing investment; and

   a) Define the geographical boundaries of the Network as follows:

   i.) The Southwest Washington and Oregon manufacturing business ecosystem is geographically located within the Willamette Valley and the Columbia River Corridor. The convergence of these two river valleys form the natural backbone of the region containing a global air and marine port, two interstate highways, and two rail corridors.

   ii.) The Network will connect four, interdependent geographical zones with varied industrial economies, that serve the manufacturing business ecosystem from the I-5 corridor from Lane County north to SW Washington, and east to Hood River along the I-84 corridor on the Washington and Oregon sides of the Columbia River as follows:

   A. South Willamette Valley – Benton, Lane and Linn Counties
   B. Mid-Willamette Valley – Marion, Polk Counties
   C. Mid-Columbia Valley – Hood River Sherman and Wasco Counties/OR and Klickitat County/WA
D. Portland Metro – Clackamas, Columbia, Multnomah, Washington and Yamhill Counties/OR and Clark and Skamania Counties/WA

b) Break through traditional silos and connecting agencies, companies, industries, universities, non-profit organizations in recognition that the current network between economic development agencies and related non-profit organizations, research institutes, schools, workforce and state agencies as well as the curators of the signature assets housed in the university system all must become more robust; and

c) Apply a multiple benefits approach to strategic investments to support maximum return for the current workforce and as well as for future generations; and

d) Sustain a coordinated effort to integrate expertise in economic development and multiple technologies into a cohesive infrastructure for strategic planning. Strategic planning should amplify Partners’ intermediary roles to build out the region’s manufacturing business ecosystem and to help access transformational technologies and other manufacturing resources needed by the region’s companies; and

e) Develop strategies that recognize the unevenly spread economies throughout the region’s main industrial corridors to stimulate growth of small to medium size businesses that rely on connections through our main industries to the global market; and

f) Share an organizational model with communities that exist outside the region that will foster connections to further strengthen and integrate support to grow their manufacturing and broader business ecosystems; and

g) Submit a proposal for designation as a manufacturing community (Docket No. 131121981-3981) for the Investing in Manufacturing Communities Partnership (IMCP); and

h) Provide leadership, support, or available funds needed for projects and activities to sustain Network objectives and goals.

3) **GOVERNANCE** – Further develop and carry out the Network’s operating procedures used to: manage policies, initiatives, strategies, practices, protocols, balance competing goals, and to define roles and responsibilities of Network participants as described in Exhibit A including, but not limited to:
a) Executive Committee is accountable for all aspects of governance including:

i. Nimble decision-making authority that codifies who is responsible for making key decisions; and

ii. Organizational design that is understood by the Parties and external stakeholders with structures that define and clarify:
   A. Operational procedures
   B. Policies;
   C. Convening membership and committees
   D. Distribution of responsibilities
   E. Financial and risk management
   F. Progress reporting and performance verification
   G. Protocols for conflict avoidance and resolution of competing interests in projects that cut across organizational boundaries
   H. All other processes for governing as required; and

b) Steering Committees needed to increase operational, technical and outreach support for fundamental operational outputs including, but not limited to:

i. Leadership and Operations – Organizational infrastructure, performance reporting, financial, internal communications, leadership identification; and
ii. Research and Initiatives – Statistical and other research, performance measures, audits, project recommendations; and

iii. Public Relations and Communication – Membership, financial support/project commitments, outreach, needs and issues; and

iv. Business and Industry – Advisory network of manufacturing, supply and related service businesses and industry associations that provide the “voice of business” and business intelligence.

4) GOALS – The goals of the Network evolve from the alliance of government agencies, education institutions, manufacturing firms and associations, research facilities, workforce boards, labor organizations and other economic development entities to integrate knowledge, technical skills, science, engineering and relationships to enhance the region’s capacity as a Manufacturing Community.

a) Long-term Network goals may include, but are not limited to:

i. Create jobs, increase wages and improve quality of life;

ii. Build on regional leadership in manufacturing and exports;

iii. Leverage our comparative advantages in semiconductor and other advanced manufacturing;

iv. Extend research and development and commercialization activities to better connect with education missions in postsecondary and secondary schools;

v. Accelerate the application and spread of cross-cutting technologies across industries and to small and medium sized enterprises;

vi. Invest in commercialization facilities that benefits multiple industries and facilitate diffusion of knowledge and skills;

vii. Grow small to medium size businesses, connecting them through the region’s main industries to the global market;

viii. Increase regional wealth by maximizing buying and selling among regional manufacturers;

ix. Deepen a flexible, technically advanced, computer literate workforce to benefit a range manufacturing sectors;

x. Focus public infrastructure and access to capital to provide expanded return on investment to industry, manufacturing and US trade; and
b) Short-term Network goals and activities include:

i. Successful application for designation as a “Manufacturing Community” under the Federal Investing in Manufacturing Communities (IMCP) initiative and to conduct the following activities related to the IMCP application process, including but not limited to:

A. Procurement of a consultant, as further described in Exhibit B, with the needed expertise to facilitate the organizational effort and completion of the IMCP application including a cost-benefit analysis; and
B. Analysis of data as further described in Exhibit C, related to manufacturing sectors, employment, businesses, key technologies, related services and supply chain within the Network region; and
C. Identification of successful collaborations within the ecosystem including local and sub-regional efforts to help leverage network resources that will maintain and accelerate the region’s manufacturing competitive advantage; and
D. Identify initiatives and projects to address leading opportunities with components of the manufacturing business ecosystem that require investment to address gaps that impede manufacturing competitiveness and growth around:
   1) Investing in and sharing workforce
   2) Access to capital
   3) Commercialization; and
E. Assess Network initiatives within a cycle of development to include the following elements:
   1) Workforce and training; and
   2) Supplier network; and
   3) Research and innovation; and
   4) Infrastructure and site development; and
   5) Trade and international investment; and
   6) Operational improvement and capital access

ii. Web Site Development and Hosting – Parties will develop and host a website for public information and later to enhance internal communication within the Network.

iii. Business and Industry Outreach – Parties will actively conduct outreach to individual businesses and industry organizations to build out the Business and Industry Steering Group to increase advisory capacity, gain business intelligence and engage business in Network strategies and initiatives.

5) OTHER

i. Costs - Each Party is responsible for their own travel and accommodations, materials and other costs associated with their performance under this agreement.

SIGNATURE OF PARTIES TO THE AGREEMENT ON FOLLOWING PAGES
6) PARTY TO THE AGREEMENT - Oregon Economic Development Department

(Business Oregon)

Business Oregon is the business development arm of the State of Oregon whose mission is to create, retain, expand and attract businesses that provide sustainable, living wage jobs for Oregonians through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies and entrepreneurs. The department administers a variety of programs that includes incentives, financial support and technical assistance to businesses, nonprofit organizations and community groups, industries, and local and regional governments and districts.

Because of Business Oregon’s organizational infrastructure and expertise in delivering programs and resources to Oregon communities and businesses to help sustain and grow the state’s economy, the department will assume the role of “Applicant” for the purpose the investing in Manufacturing Communities Partnership (IMCP) application.

Financial Commitment to Date:

$5,000 consultant procurement (IMCP application)

$5,500 estimated balance of budget for Cost-Benefit Analysis (IMCP application)

$6,000 estimated in-kind staff support (IMCP application)

FTE assigned to future administration of the Network: 1.0

Contacts:

Business Oregon:

Karen Goddin
Deputy Director, Business
(503) 229-6054 office
(503) 702-0456 cell
karen.goddin@state.or.us

Donna Greene-Salter
Project Coordinator
(503) 986-0116
connal.greene@state.or.us

Karen Wilde Goddin
Deputy Director of Business
Oregon Business Development Department

Date: April 7, 2014

IMCP Applicant
6) PARTY TO THE AGREEMENT –

City of Eugene

The City of Eugene is the second-largest city in the state of Oregon. The Eugene-Springfield metropolitan statistical area is home to approximately 351,000 residents and the University of Oregon. The City routinely works with regional businesses and developers to support economic growth and create opportunity in our community.

Since the Joint Elected Officials of the Cities of Eugene, Springfield, and Lane County signed onto the Regional Prosperity Economic Development Plan, the City’s economic development activities are focused on entrepreneurs, emerging technologies in key industries, and taking a regional, collaborative approach to building a learning community. Together with the Eugene and Springfield Chambers of Commerce we hosted a two-day economic summit last fall. We invited federal agency partners to participate along with the education, business, and government, as well as private and non-profit agencies, community leaders, local, state, and federal elected officials and representatives.

The City of Eugene is also a key, founding participant and partner in the Regional Accelerator and Innovation Network (RAIN), which includes locally partnering with the City of Springfield, Lane County, and the University of Oregon. Together we are working on implementing our Regional Prosperity Plan, which is a foundation of our united federal lobbying efforts and participation in the RAIN network. The City of Eugene, as well as Springfield, Lane County and the University of Oregon are committing substantial financial and staff resources to the RAIN network, which is an embedded strategy of the Pacific Northwest Manufacturing Partnership.

Financial Commitment to Pacific Northwest Manufacturing Partnership:

- $10,000 consultant procurement (IMCP application)
- $75,000 estimated in-kind staff support (IMCP application)
- $85,000 estimated local federal United Front lobbying and consulting services to develop our Regional United Front Federal Priorities Book, with focused emphasis on economic prosperity, regional strengths, and innovative drivers and specifically targeting the IMCP designation application. In addition to preparing materials and meetings with our congressional delegation and staff, we sent a delegation of ten elected officials and staff to meet with multiple agency staff and convened a roundtable of participating agency staff to discuss our approach and seek a better understanding of the IMCP goals and opportunities.
- $265,000 for Economic Prosperity, Task 6.4 of Regional Sustainability Planning Grant
- $680,200 from Brownfields Assessment Coalition (City of Eugene, City of Springfield, and Lane County) to assess and prepare industrial sites
- $75,000 annually for next three years for implementation of Broadband Plan
- $4,000,000 from the City of Eugene’s Business Development Fund
- $3,750,000 from state investment in the Oregon Regional Accelerator and Innovation Network matched 1:1 by 2.0 FTE from the City of Eugene, resources of the University of Oregon, the Eugene Chamber of Commerce, and Lane County.

We anticipate assigning similar level of resource to future participation in the Network.
Contacts:

City of Eugene:
Lisa Gardner
Intergovernmental Relations Manager
Lisa.a.gardner@ci.eugene.or.us
541-556-2159

William Ellis
Economic Development Analyst
William.R.Ellis@ci.eugene.or.us
541-682-8367

Denny Braud
Economic Development Manager
Denny.Braud@ci.eugene.or.us
541-682-5536

Lisa A. Gardner
Intergovernmental Relations Manager
City of Eugene

4/14/14 Date
6) PARTY TO THE AGREEMENT –

THE COLUMBIA-WILLAMETTE WORKFORCE COLLABORATIVE
A partnership of the Southwest Washington Workforce Development Council, the Workforce Investment Council of Clackamas County and Worksystems, Inc.

The Columbia-Willamette Workforce Collaborative is a partnership that delivers a unified approach to serve industry, support economic development, and guide public workforce investments in the Portland-Vancouver Metropolitan area. We work with industry to identify and remove barriers that stand in the way of cultivating and sustaining a skilled workforce.

We recognize the importance of the regional manufacturing sector and are committed to working directly with industry to ensure our efforts produce the talent regional manufacturers need to grow and thrive. We manage a broad array of federal, state and local workforce resources and guide regional workforce policies and plans. We bring a diverse network of partners, including community colleges, economic developers, labor organizations, local governments, high schools and community-based organizations to address and solve regional workforce needs. We oversee the American Job Center Network which served more than 300,000 people across the two states last year. Using this network provides access to the largest pool of talent in the region and assures targeted groups, such as unemployment insurance recipients, veterans, and underrepresented populations have the training and services they need to successfully transition to work in the manufacturing sector.

Financial Commitment to Date:

$300,000 manufacturing focused workforce training (On-the-Job, Classroom and incumbent worker)

$2,000 estimated in-kind staff support (IMCP Application)

FTE assigned to the Network: 1.0

Contacts:

Columbia-Willamette Workforce Collaborative

Andrew McGough
Executive Director, Worksystems, Inc.
1618 SW First Ave., Suite 450
Portland, OR 97201
(503) 478-7371
amcgough@worksystems.org

Jesse Aronson
Manufacturing Lead, Columbia-Willamette Workforce Collaborative
(503) 478-7324
jaronson@worksystems.org

[Signature] 4/7/14

Andrew McGough
Executive Director
Worksystems, Inc.
6) PARTY TO THE AGREEMENT – Corvallis Benton County Economic Development

Description of Entity/Individual:
The Corvallis Benton County Economic Development Office is a partnership between the City of Corvallis and Benton County to provide economic development services to all of Benton County. The City of Corvallis employs 2 FTE and has an intergovernmental agreement with Benton County to provide the services.

Financial Commitment to Date: $1,000

FTE assigned to the Network: 2

Contacts:
Tom Nelson
Economic Development Manager
PO Box 1083
Corvallis, OR 97339
Phone: 541-766-6339 / Cell: 503-867-5544
Tom.Nelson@CorvallisOregon.gov

[Signature]

Date: 4/9/14

Tom Nelson
Economic Development Manager
Corvallis Benton County Economic Development
6) PARTY TO THE AGREEMENT

GREATER PORTLAND INC

Greater Portland Inc (GPI) is a regional public-private economic development organization helping companies expand and locate to the Portland-Vancouver area. Our region includes Clackamas, Columbia, Multnomah, and Washington Counties in Oregon and Clark and Skamania Counties in Washington. Leveraging the region’s assets, GPI and its partners work together to nurture and recruit businesses that bolster the local economy and promote long-term job growth.

GPI staffs the Greater Portland Economic Development District, Inc. (GPEDD) which includes Clackamas, Multnomah, and Washington Counties in Oregon and Clark County in Washington.

While many jurisdictions within the GPI/GPEDD territory are directly involved with the Investing in Manufacturing Communities Partnership (IMCP) application, GPI’s efforts in IMCP are on behalf of jurisdictions directly and indirectly involved in IMCP.

Financial Commitment to Date:

- $500 consultant procurement (IMCP application)
- in-kind staff support (IMCP application)

Contact:

Derrick Olsen
Vice President of Regional Strategy & Coordination
Greater Portland Inc
111 SW Columbia Street, Suite 830
Portland, OR 97201
phone: 503-445-8065, ext. 107
email: derrick.olsen@greaterportlandinc.com
website: http://greaterportlandinc.com/

Sean Robbins
President & CEO
Greater Portland Inc

Date

4-9-2014
6) PARTY TO THE AGREEMENT – Mid-Columbia Economic Development District

Description of Entity/Individual:

MCEDD is organized as a government non-profit in Oregon as an ORS-190 and in Washington as a RCW 39.34.010.

MCEDD is the business development lead for the five county region whose mission is *To promote the creation of family-wage jobs, the diversification of the economic base, and the growth, development and retention of business and industry within the five-county district.* The organization administers a variety of programs that includes incentives, financial support and technical assistance to businesses, nonprofit organizations and community groups, industries, and local governments and districts.

Financial Commitment to Date:

- $500 for Cost-Benefit Analysis (IMCP application)
- $1,000 estimated in-kind staff support (IMCP application)

FTE assigned to future administration of the Network: 0.1

Contacts:

Mid-Columbia Economic Development District:

Amanda Hoey
Executive Director
541-296-2266
Amanda@mcedd.org

[Signature]
Amanda Hoey
Executive Director
Mid-Columbia Economic Development District

9-4-14
Date
6) **PARTY TO THE AGREEMENT** – Mid-Willamette Valley Council of Governments

Description of Entity/Individual:

The Mid-Willamette Valley Council of Governments (MWVCOG) is a voluntary association of over 40 local governments in Marion, Polk, and Yamhill Counties including the three counties, cities within those counties, several special districts, and the Confederated Tribes of the Grand Ronde. Established as a governmental entity in 1967 under the authority of Chapter 190 of the Oregon Revised Statutes, MWVCOG also serves as the Economic Development District (EDD) for the Marion, Polk and Yamhill County region. The MWVCOG EDD oversees the development and implementation of the region’s Comprehensive Economic Development Strategy (CEDS) and provides a forum for facilitating and coordinating regional economic development activities throughout the region.

The MWVCOG has a long history of successfully managing and administering state and federal grants, and effectively working together with stakeholders to promote economic development in a sustainable manner throughout the region. MWVCOG also provides direct assistance to small businesses through its small business lending program, which provides access to all of the commonly used government finance programs. MWVCOG manages several small business loan funds valued at over $7 million.

Financial Commitment to Date: $500

FTE assigned to the Network: # .05 FTE

Contacts:

Suzanne Dufner
Community Development Director
100 High St SE, Suite 200, Salem, OR 97301
503.540.1616
sdufner@mwvcog.org

Nancy Boyer
Executive Director
Mid-Willamette Valley Council of Governments

4/8/14
6) PARTY TO THE AGREEMENT – Oregon Manufacturing Extension Partnership (OMEP)

Description of Entity/Individual: OMEP is a non-profit organization that aims to help Oregon manufacturers respond to the challenges of competing in an increasingly global economy. OMEP has 10 consulting staff and a strong network of 3rd party experts. OMEP collaborates with regional economic development and workforce development organizations, public agencies and industry consortia.

OMEP works directly with owners, executives, managers and operators to assess company needs in all areas. OMEP moves quickly from assessment to implementation to ensure that the company’s efforts provide an immediate payback. Regardless of the starting point, our goal is to unleashing a company's growth potential.

Every client requires a customized approach focusing on their specific obstacles to growth. Entry points range from creating improved flow on the production line, to speeding sales order processing, to training the workforce on problem solving approaches, to developing a strategy to enter new markets and handle supply chain issues. Whatever the need, OMEP offers the tools, expertise, and the flexibility to engage with manufacturers at all levels.

Financial Commitment to Date: In-Kind Salary $1,700

FTE assigned to the Network: future commitment 0.10 FTE for Leadership meetings.

Contacts:
Michelle Fusak
Vice President of Finance and Operations
12909 SW 68th Parkway, Suite 140
Portland, OR 97223
503-406-3778
mfusak@omep.org

Michelle Fusak
Vice President of Finance and Operations
OMEP

/Signature

Date: 4/7/14
6) PARTY TO THE AGREEMENT – ONAMI

Description of Entity/Individual: Oregon Nanoscience and Microtechnologies Institute (ONAMI)

ONAMI is Oregon’s first Signature Research Center. A deep collaboration among Oregon universities, Pacific Northwest National Laboratory, industry, and the investment community, ONAMI accelerates research and commercialization of materials science and related device and system technologies in Oregon. Since 2004, awards to our research members have grown three-fold, the external service revenue at our university-based ONAMI Technology Labs has grown more than three-fold, and companies in our gap fund portfolio have raised over $170M in leveraged funds.

Financial Commitment to Date: $3.7M in FY14-15 for ONAMI Technology Labs (shared facilities and tenant space), ONAMI Commercialization Gap Fund and entrepreneur-in-residence services (comparable intent for FY16-17, but this is dependent on funding decisions by the Oregon State Legislature and Governor’s office). Approximately $11M inception (2005) to date for these programs.

FTE assigned to the Network: 3.25 (facilities marketing, gap funding, entrepreneurs in residence, administration)

Contacts:

Robert D. “Skip” Rung
President and Executive Director
P.O. Box 2041
Corvallis, OR 97339
541.213.4883
skip@onami.us

[Signature]

April 3, 2014

Robert D. “Skip” Rung
President and Executive Director
Oregon Nanoscience and Microtechnologies Institute
6) PARTY TO THE AGREEMENT – Oregon BEST

Description of Entity/Individual:

As one of Oregon’s Signature Research Centers, the Oregon Built Environment & Sustainable Technologies Center, Inc. (Oregon BEST) nurtures clean technology **product and process innovation** by transforming new ideas, research, and products into green collar jobs, greater sustainability, and economic prosperity for Oregon. Oregon BEST was founded in 2007 as an independent nonprofit. We provide leadership and leverage our expertise, resources, and relationships to achieve impact beyond our scale.

The research, projects, and startups we support power a cycle of: job creation; cleantech industry growth **specifically targeting manufactured products and solutions**; increased private investment; stronger university research; opportunities for Oregon students; workforce development; increased state revenue.

Our activities fall under the four following strategies:

- **Envision**: Mapping opportunities for high-impact development, setting the agenda, and establishing priorities for our ecosystem
- **Build**: Constructing effective economic development models, stimulating and supporting cleantech research, and advancing cleantech **manufacturing**, entrepreneurship and investment
- **Convene**: Serving as the “home page” for cleantech innovation, staging events and driving awareness, convening stakeholders and stimulating collaboration, and leading or catalyzing the formation of teams
- **Accelerate**: Finding and fueling cleantech **product** innovations, leveraging and transitioning university research, paving the path to **product** validation and launch, catalyzing high value demonstration projects, connecting researchers and entrepreneurs to capital and mentors, and connecting startups to corporate strategic partners.

Financial Commitment to Date: $500.00 (IMCP application development)

FTE assigned to the Network: #.2

Contact:
Karl Mundorff, Director of Research Programs
1600 SW 4th Avenue, Suite 122, Portland, Oregon 97207
503.880.7002
karl.mundorff@oregonbest.org

[Signature]

David Kenney
President and Executive Director
Oregon BEST

[Signature]

April 7, 2014
Date
6) PARTY TO THE AGREEMENT –

PORTLAND STATE UNIVERSITY

Portland State University (PSU) is Oregon’s largest university and only urban-serving university. PSU is deeply engaged with the Portland metropolitan region and is committed to promoting the economic growth of Portland and Oregon. Approximately 70 percent of PSU graduates remain in the state of Oregon.

In addition to its primary mission of education and workforce development, PSU advances regional economic development priorities through four core sets of university-wide activity: innovation and entrepreneurship; program alignment with regional industry clusters; regional economic research; and customized training and professional development.

Financial Commitment to Date:

$3,000 estimated in-kind support (IMCP application)

FTE assigned to the Network: 1.0

Contacts:

Erin Flynn, Ph.D.
Associate Vice President, Strategic Partnerships
1600 SW 4th Avenue, Portland OR 97207
503.725.8490 (office)
503.403.9886 (cell)
e Flynn@pdx.edu

[Signature]

April 11, 2014

Erin Flynn
Associate Vice President
Portland State University

[Signature]

Date
6) PARTY TO THE AGREEMENT – SEDCOR

Description of Entity/Individual:

SEDCOR (Strategic Economic Development Corporation) is a non-profit economic development firm working directly in Marion and Polk County. We work directly with manufacturing firms to help grow jobs by connecting these firms to the resources they need to add jobs.

Financial Commitment to Date: $500

FTE assigned to the Network: #.05

Contacts:

Chad Freeman
President, SEDCOR
626 High St NE, Suite 200, Salem, OR 97301
(503) 837-1900
cfreeman@sedcor.com

__________________________
Chad Freeman
President
SEDCOR

4/9/14