Input from economic development organizations, local government, business groups, employers and education leaders on ways to support and strengthen the regional economy.
Regional Economic Development Forums
Input Summary—Greater Portland Region

Portland, August 6, 2014

On August 6, 2014, more than 100 economic development, government, business and education leaders gathered in Portland to discuss regional economic opportunities and the programs and policies needed to grow and strengthen the region's business and industry base. This write-up highlights the perceptions of and ideas from participants; they may or may not reflect how current programs operate.

KEY OPPORTUNITIES FOR BUSINESS AND ECONOMIC GROWTH

The purpose of the forum was to build on the region’s existing economic priorities to discuss specific policies and programs needed to achieve the region’s vision.

The regional priorities used a foundation for discussion included:

- Active support of traded sector industries and key clusters (software and high tech, advanced manufacturing, clean tech and athletic and outdoor industry sectors).
- Encouraging the development of new products and businesses and attract the capital and support services that can accelerate growth.
- Aligning state policies and resources to cleanup and reuse brownfields and other potential redevelopment areas to efficiently use existing properties and protect productive farm and forest land and conserve natural resources.
- Fostering region-wide coordination of transportation systems that move freight and people.
- Addressing means to provide sustained funding and implementation of key infrastructure projects.
- Expanding efforts to attract key talent and develop a skilled workforce that supports key industries.
- Proactively coordinating, synchronizing and improving the State’s application of regulations and permitting processes to efficiently manage regionally significant projects.

SMALL GROUP DISCUSSIONS

Participants chose one of eight groups to further explore economic development opportunities in the Portland metro region. Groups included business development of manufacturing industries, local government support, infrastructure, talent and workforce, business support and small business development, coordination of economic organizations.

Business Development: Manufacturing

To grow manufacturing industries in the Portland metropolitan tri-county region the group discussed means to expand markets and develop new products, train and attract talent, address infrastructure projects to move goods, and streamline specific regulations.

To help expand markets and the development of new products businesses in the region suggested:

- Retaining and expanding the R&D tax credit back to previous levels.
- Supporting the funding of signature research centers and other facilities for product development.
- Being proactive in identifying new markets for existing industries (better data). Inviting more private sector participation in trade missions.

Workforce is a key concern for manufacturing companies in the Portland region. To help companies train and attract a higher talent pool, manufacturing industries suggested the following:

- Continue and stabilize funding for STEM education and training.
- Increase the support of internships and cooperative programs like MECOP.
- Enhance state wide and regional funding of career technical education especially at the high school level to
encourage students to be interested in manufacturing careers (which will also require modifications to BOLI regulations).

- **Maintain industry specific masters degrees** in areas like optics, semiconductors and others.

To support infrastructure for manufacturing the following recommendations were made to:

- The state and region needs to **address the rising cost of energy** with a strategy that provides for consistency and affordability of supply.
- Ensure there is a **supply of available industrial land that has the infrastructure in place**. To achieve this a stronger certified site program may be required.
- Develop a **priority set of transportation issues** that is aligned with the future capacity required to move both freight and people.
- Enhance the **capacity and overall effectiveness at the Port of Portland** for shipping product into and out of the region.
- Align federal and state health care acts (FMLA and OMLA).
- **Wave or discount system development charges** for existing and expanding companies, or provide longer-term funding to spread costs out over time.

In terms of specific economic policies or regulatory challenges which need to be developed for manufacturing it was suggested that **companies be incentivized to meet regulatory compliance**, rather than a stick approach, and that Oregon environmental regulations are better aligned with federal regulations.

**Workforce and Talent Development**

Two groups discussed ways to better connect education two jobs through incumbent worker training, coordinated sector strategies and enhanced youth work experience programs.

One of the biggest issues in connecting education to jobs is the **coordination of business engagement** in developing sector-based workforce strategies. The groups suggested:

- Creating a **communication piece** that helps businesses to understand the workforce system in Oregon.
- Establishing a **one-stop system for businesses** to engage in the development of training and education programs across the region. This would require a **centralized industry council** for business input, and greater internal coordination and communication among the education and workforce organizations to establish shared industry advisory groups.
- Having **workforce boards take the neutral lead** in coordinating businesses and educational needs.
- Including businesses in Oregon Education Investment Board (OEIB) discussions.

The coordinated effort would also help to **bring industry into the classroom** to reach students and teachers about careers and skills needed for jobs within the region. There was a strong emphasis on:

- **Educating career counselors and parents on careers and educational pathways**, so information given to students is up to date and expanded beyond a few industries or companies, with more **favorable treatment of manufacturing, trades and other traditional industries** that pay living wages.

**Expanding internship and apprenticeship** programs were viewed as critical elements to enable youth to have earlier and greater quality work experience, especially:

- Incentives for businesses to invest in internships and co-operative programs.
- **Assisting small and medium size businesses with developing internship programs** would be required to increase the number of companies participating in these programs.

Increasing the **work experience options for youth** was viewed as an essential part of talent development. Early work experience was viewed as one of the best ways to build work ethic. The groups suggested:

- Establishing a **training wage** for high school students.
- Looking at **pre-apprenticeship training** as a model for work experience.
- **Having more centralized information on youth work experience programs** including internships and apprenticeships, with special attention focused on reaching underserved populations.
The recession froze or eliminated positions, and while the recovery means new hires, it also means a bubble in training both new and existing workers. Therefore, groups advocated for:

- **Work-place resources to be scaled** to meet the needs of companies facing changing technologies and regulations, retirements, and other factors that trigger the need to “skill up” existing workers to fill critical gaps. This includes enhancing the amount of **on-the-job training, and other incumbent worker resources** available for companies.

- **Modify policies that inhibit workers from re-entering the workforce.** Lower-wage workers often receive unemployment and social assistance that ends abruptly when they find a job. It was recommended that some programs have a ramp-down period after employment begins.

- **More flexible schedules at school and the workplace** to accommodate employees that are going to school.

- An assessment of **distance-learning infrastructure** and technology and a coordinated plan that can leverage the existing infrastructure and fill identified gaps.

**Build a business coalition** around more systemic funding for education; connecting to the 17+8 effort of educational institutions.

**Local Government**

There were several groups of local government officials that addressed what is needed through the public sector to help support the growth and development of regional industries. Conversations in these groups centered on available industrial lands, local infrastructure, support for business startups and expansion, and regulatory streamlining.

To ensure a viable in adequate amount of available industrial lands the following actions were recommended:

- **Coordinating and funding Brownfield development and Superfund cleanup,** this includes using Brownfield funds for superfund sites and changing statutory requirements if necessary.

- Developing a **new conceptual framework for addressing industrial lands,** understanding the right land supply and characteristics based on potential economic opportunities. This might include the assembly of lands, a legal structure for patient owner and a regional land authority.

- Providing patient capital for industrial lands and community development through the **funding of Senate Bill 246 and 253.**

In order to better support local infrastructure the group suggested that regional resources be focused on completing priority projects including:

- **Levee accreditation,** Funding of inspection, certification and repairs of levee and supporting Business Oregon’s budget to do this.

- Evaluating changes to broadband in order to open competition and not favor incumbent provider.

- **Exploring new financing mechanisms** such as a West Coast infrastructure exchange.

To support business startups and the growth and expansion of existing businesses, it was suggested that the state:

- **Invest in a more diversified set of industry sectors,** expanding what appears to be a focus primarily manufacturing and high technology. Match funding or otherwise support accelerator programs that have a proven track record or model.

- **Retains the strategic investment program.**

- **Expands the state’s incentives** to forgive income tax upon a sale and reinvestment in an Oregon company.

To address issues relating the regulatory streamlining and economic policy, the group suggested the following:

- **Engaging top managers at state agencies in the decision-making protocols** that guide regulation, too much variation among staff and inconsistent focus on what is meant by “customer service,” “responsiveness” and “ROI.”

- Establishing a **predictable review process that addresses the discretionary reviews and duplicative processes,** has consistent responsiveness from staff, and works to make process consistent among jurisdictions.

- Having a **one-stop shop for permitting and problem solving,** Regional Solutions address larger more strategic issues and regional one-stops address common issues.

- **Streamlining land use process** and address the legal appeal process and the limited local decision making capacity.

- **Helping regional governments be more specific** with outcomes based when developing their economic opportunity analysis (EOAs) for Goal 9 planning.
**Infrastructure: Transportation**

There was much discussion in the Portland Metro area around transportation and moving specific regional priorities forward.

The group discussed five-year priorities around a transportation system that had a 20-minute goal for moving people and freight in a reliable fashion. These priorities included:

- Developing a **transportation demand management strategy** for the region.
- Exploring **sustainable funding sources** for transportation to overcome declining lottery bonding capacity and declining revenues from the gas tax; examining user fees/taxes and congestion pricing.
- Developing and piloting **reversible lanes** and other ways to alleviate areas with traffic congestion.
- Addressing a **reliable and convenient freight transportation strategy** for the region, including enhanced options for off road alternatives.
- Understanding the **infrastructure needed for alternative fuels**.

To achieve these five-year priorities the group identified a set of programs and policies and services that needed. These included:

- **Funding Connect Oregon**: There is not enough funding to for Connect Oregon, and the programs needs to show direct benefits to businesses, include bike and pedestrian aspects, base funding on priorities and best projects.
  - There needs to be **dialogue between business and government** on how to build on successes, assess priorities and align efforts.
- Having a more **system-wide approach**, recognizing that much of the current effort is project based. Examples of this coordination included:
  - **Enhanced coordination of transit systems** across regions to address capacity improvements (Tri-met, Canby, Wilsonville, rail, etc.); Need Clark County to be a part of the solution.
  - **Shared funding models** that can leverage city, county and state funds alongside federal sources. These funding models should also address the reliability of **longer-range funding** streams and look at transportation more like utilities.
- Development of **multi-modal plans** especially for freight movement.
- **Enabling the metrics** used for transportation projects to show the cost-benefit to the public.
- Examine how the **public is engaged in transportation approval process**. There is approval process fatigue due to the length and repetition of how the current process engages the public.

**Economic Development Organizations**

This group discussed how the various economic development organizations at the local and state level can work better together to deliver business retention expansion and recruitment efforts; support entrepreneurs and emerging markets; market and promote regional industries and assets; and address specific regulatory issues.

To increase business retention and expansion and recruitment efforts the group discussed both programmatic and policy issues. These included:

- **Reviewing state statutes with regards to their timing** so businesses can be up and running in a reasonable time.
  - Review the **public comment period** on LCDC land-use approval.
  - Review the **timing and consistency** of local Government regulations pertaining to land use.
- **Increasing connectivity** between the tools and programs of local government and Business Oregon. Key tools include the SIP, gain share, enterprise zone and urban renewal districts.
- **Bolster and ramp up regional solutions teams** so there is capacity to address critical problems as well as be proactive in addressing common issues.
- **Improve the policies and communications between organizations** working with companies ready to scale and economic development practitioners working on expansion and retention issues.

To market and promote regional industries and assets, the group felt more coordination and up-to-date data and information was needed. Specifically:

- **Establish a public relations/public outreach campaign** on why the tools and programs for job creation or needed; why it is important to address business development issues in communities.
- Better internal and external **promotion of success stories**.
In terms of supporting entrepreneurs and emerging markets the group suggested:

- An up-to-date inventory of the tools and programs, and policies available to businesses.
- Creating a more robust SBIR program that includes matching funds, similar to other states like Kentucky.
- Develop better information on export opportunities and work with the business community to engage and raise their awareness about these opportunities.

To address regulatory issues, the conversation centered on a lack of a coordinated and shared strategy among economic development organizations.

- The suggestion was to develop a shared strategy between economic groups and the business community that advocate for policy changes and to have clear communication among economic development organizations that do not advocate.

**Small Business Development**

This group represented businesses and service organizations that support the growth of small businesses.

To support small business development in the Portland region, the group highlighted the programs and services that were currently working. These included:

- An array of business support services ranging from the small business development centers to micro financing organizations to an array of minority based business development services.
- An assortment of incubators and accelerators that support a broad range of industries.
- Debt and equity financing for start-ups and small businesses ranging from micro financing to angel funding to revolving loan funds.

The group also identified a set of programs and services that were missing in the region that could help you accelerate the growth of small businesses. These included:

- More funding of micro financing programs; the service piece is there but the amount of capital is limited.
- Clear information on finance programs available at Business Oregon and how they relate and support other financing programs by partner and private organizations.
- Having a concierge service for businesses where there is one place for businesses to go to find resources. Perhaps link to the secretary of state and two other key groups providing services. This needs to be someone's job as well as the software tool.
- Local and state support of guilds; reinstating the Oregon Guild.
- Developing and funding more entrepreneur in residence (EIR) programs or contract type CFOs that can help businesses in growth mode have the temporary talent to be successful while they are building their management team.

The group also discussed the policies and regulations for small business development and suggested the following:

- Supporting Benefit Corporations (B-Corp).
- Understanding and being prepared for crowd funding.
- Increasing the R&D tax credit back to pre-recession levels.
- Addressing agricultural processing regulations especially at the federal level that inhibit companies from growing new markets.