Business Oregon is the economic development agency for the state of Oregon. We work with communities and businesses to build prosperity together.

We use our programs and expertise to help businesses grow, so they can in turn add jobs, diversify the economy, and increase Oregon prosperity. We work with communities to enhance and expand infrastructure and community safety with projects such as water/wastewater systems, seismic rehabilitation for schools, or rural broadband development. This also sets the stage for future business development.

Our mission is to invest in Oregon’s businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy, all carried out with an agency strategic plan.

What you have here is our annual report for fiscal year 2017 (July 2016–June 2017). This report presents results in ten key performance measures established for Business Oregon by the Oregon legislature.
Business Oregon financial programs helped create 1,555 jobs in Oregon in FY2017, falling short of the target, but increasing from FY2016. The 1,555 jobs created reflect investments from the Strategic Reserve Fund, Business Expansion Program, Business Finance programs, and Oregon Innovation Council. The figure does not reflect potential jobs created as the result of the agency’s infrastructure investments, investments in our entrepreneurial community through the Oregon Growth Board, or business technical assistance programs.

Business Oregon financial programs helped retain 5,392 jobs in Oregon in FY2017, slightly higher than the target. The 5,392 jobs retained reflect investments from the Strategic Reserve Fund, Business Expansion Program, Business Finance programs, and Oregon Innovation Council. The figure does not reflect potential jobs retained as the result of the agency’s infrastructure investments, investments in our entrepreneurial community through the Oregon Growth Board, or business technical assistance programs.
$108M in export sales were a result of Oregon companies attending more than 130 international tradeshows using agency export promotion grant program.

Jobs created and retained by businesses funded by Business Oregon generated an estimated $20.8 million in state personal income tax revenue, exceeding the target. The tax revenue reflects investments from the Strategic Reserve Fund, Business Expansion Program, Business Finance programs, and Oregon Innovation Council. The combined jobs created and retained in FY2017 were lower than in FY2016, which led to lower estimated income taxes generated in FY2017.

Documented export sales hit $108.35 million in FY2017, exceeding the target by $60.5 million. This number includes immediate and expected export sales reported by companies receiving export assistance (both technical assistance and grants) from Business Oregon, and sales reports from Business Oregon’s Japan Representative office and Korea Representative office. Sales were also reported from Oregon companies active with the Softwood Export Council and ExIm bank, both supported by Business Oregon.
Community infrastructure investment makes up the majority of Business Oregon’s budget. Business Oregon significantly exceeded its target for infrastructure planning projects taken on with local communities. Examples of planning projects are industrial lands planning, capital project plans that support community infrastructure, wastewater treatment facilities, safe drinking water facilities, and community centers.

The increase could be interpreted as communities positively looking to the future to enhance assets as the economy continues to improve. Communities have acknowledged their existing utility master plans are outdated and do not reflect the growth and development which has occurred over the past 10 years. Additionally, expected population growth in many areas is encouraging communities to review current facilities with an eye towards future needs.

The department exceeded its target by more than double the goal. Project levels have been trending upward and the demand for project financing has been steadily improving and looks to remain strong. Many communities have vital health and safety improvement projects they are now addressing with the strong economy. Many planning projects funded by Business Oregon have recently been completed and communities are turning their attention to construction. The increase in this KPM could be interpreted as resulting from an increase in planning projects over the course of the last few years.
Business Oregon partners with the Government Contract Assistance Program (GCAP) to assist new business start-ups and small firms seeking to grow their businesses through government contracting. GCAP works with small businesses on early stage growth issues and training on federal and state procurement contract opportunities. This measure looks at the total dollar amount of federal contracts awarded over the year. GCAP exceeded the target.

This measure also looks at the number of contracts awarded, which was exceeded by a significant amount.

Business Oregon certifies industrial sites in Oregon meeting stringent readiness requirements as market-ready and developable, to make sites more marketable and competitive to developers.

Limited options for funding site investigations and studies, and financing public infrastructure remains the challenge for many sites achieving or maintaining certification or recertification of sites.
This year the department completed 10 infrastructure projects that are tied directly to future economic development, but missed the target. However many of the projects were larger in nature with total financing at almost $18 million. Communities continue to focus their efforts away from economic and community development projects to health and safety projects. This is likely due to planning efforts for municipal water and wastewater projects with an emphasis on addressing an aging infrastructure considering current and future system demand. Business Oregon expects communities to shift attention to economic and community development efforts as public works projects are completed. This is evident by this fiscal year's larger capital construction financing projects.

Business Oregon conducts a customer survey every other year. For this fiscal year, the results listed are those from the FY2016 survey. The survey included questions ranking Business Oregon on timeliness, helpfulness, expertise, availability of information, information accuracy, and overall satisfaction.
Business Oregon’s budget is comprised of lottery bond proceeds and loan repayments, lottery revenue, general funds, and federal funds. On the output side, expenditures can be categorized into infrastructure, debt service, business/innovation/trade, arts/culture, operations, and film/video.

37% of net lottery revenues are allocated by the legislature for job creation, economic development, and public education. Of those revenues Business Oregon received 5.2% or $66.2m for operations and programs.