



PORTLAND  
ECONOMIC DEVELOPMENT STRATEGY

# ECONOMIC DEVELOPMENT STRATEGY

●●●●● TWO YEAR STATUS REPORT

JULY 2011



**PDC** | PORTLAND  
DEVELOPMENT  
COMMISSION  
[www.pdc.us](http://www.pdc.us)



# EXECUTIVE SUMMARY



Dear Portlanders,

Two years ago City Council adopted the Five-Year Economic Development Strategy amid the worst economic recession of a generation. With the goal of creating 10,000 net new jobs while establishing Portland as one of the most sustainable economies in the world, the strategy set forth a clear pathway out of the recession and toward economic resiliency.

We still have work to do to achieve this imperative. At the two-year mark, this report highlights the significant progress we have made with our public, private, academic and organized labor partners on our job creation and economic vitality goals.

Through the implementation of the strategy, we have focused key initiatives and resources on opportunities with the greatest impact and where they were most needed. We supported the traded sector industries in which Portland has competitive advantage—Advanced Manufacturing, Athletic and Outdoor, Clean Technology and Software—to increase the global competitiveness of these engines of economic growth and to retain and create living-wage jobs. We invested in urban innovation to position Portland at the cutting edge of sustainable solutions and maintain the vibrancy of our central city. And we began tackling many of the critical needs facing neighborhood businesses, residents and commercial corridors throughout our city.

As a result of these collective efforts we have seen immediate-term outcomes and positioned Portland to be a leader in the new economy as we emerge from the recession. In the last two years we have:

- Retained approximately 1,100 existing jobs and created more than 1,900 new jobs through financial assistance to 132 local companies and the recruitment of 15 new companies;
- Leveraged more than \$600 million of investments, catalyzed an estimated 2,862 construction jobs, and helped 390 businesses throughout Portland with \$59 million of local, state, and federal loans, grants and incentives.

We would like to thank the many private and public partners who have contributed to the success of these efforts, including the Alliance of Portland Neighborhood Business Associations, Greater Portland, Inc., Mayor's Economic Development Cabinet, Oregon Business Development Department, Oregon University System, Port of Portland, Portland Business Alliance, Portland State University, Small Business Advisory Council and Worksystems, Inc. We are especially appreciative of our local businesses which have demonstrated ingenuity and perseverance through economic challenges to create jobs for Portland residents and put our economy back on track.

We look forward to continuing to work together with you to spur local job creation, drive economic growth in our region and promote widely-shared prosperity.

Sam Adams, Mayor  
City of Portland

Patrick Quinton, Executive Director  
Portland Development Commission



# INTRODUCTION: PORTLAND ECONOMIC DEVELOPMENT STRATEGY

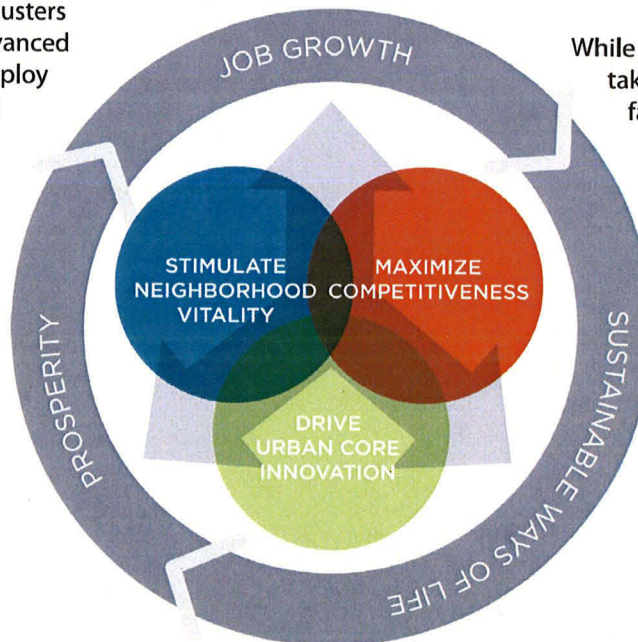
*In July 2009 the Portland City Council adopted the Portland Economic Development Strategy: A Five-Year Plan for Promoting Job Creation and Economic Growth. Since the adoption of the strategy, deliberate investments of resources have helped to create more than 1,900 new jobs and to retain approximately 1,100 jobs. Multnomah County has seen 5,500 new jobs in the same period<sup>1</sup>. Despite this progress, the local unemployment rate of 8.4% means that more than 33,000 people remain out of work. As the impact of the Great Recession continues to challenge many of Portland's businesses and families, the work of supporting job creation and business remains critically important.*

Notwithstanding the substantial progress, achieving the goal of creating 10,000 net new jobs by 2014 and establishing Portland as one of the world's most sustainable economies requires continued investments and public/private partnerships. Specifically, job growth necessitates explicit investments in the fundamentals of economic development: business expansion and retention, workforce training, innovation, catalytic projects and an ecosystem that nurtures entrepreneurship and small businesses.

The key accomplishments and initiatives highlighted in this report provide a solid foundation on which to build these future efforts. Portland remains poised to become a capital of the global green economy, with a growing concentration of firms in clean technology. A strong base of firms in target industry clusters such as athletic and outdoor, advanced manufacturing, and software employ a robust pool of creative services and technical talent. Portland is also leading the way with economic development strategies focused on creating local jobs, improving neighborhood commercial districts and ensuring economic opportunity for all residents.

To support economic growth and the development of a sustainable economy, the strategy has fostered a proactive approach focused on:

- **Competitiveness:** generating robust job growth by maximizing the opportunities to produce and sell products and services for existing, emerging and relocating businesses;
- **Urban Innovation:** maintaining a leadership position in sustainability by constantly striving to produce an innovative urban setting that fosters creativity and invention; and
- **Neighborhood Business Vitality:** achieving equality of opportunity by stimulating economic activity in neighborhoods throughout the city.



While the economic downturn has taken its toll on regional businesses, families, and individuals, the City of Portland and its public and private partners are working collaboratively to help Portland remain globally competitive and to provide economic opportunities for all.

<sup>1</sup>Oregon Employment Department, the change in jobs from July 2009 through May 2011, not seasonally adjusted



# ECONOMIC DEVELOPMENT STRATEGY IMPACT, July 2009 to June 2011

*From the strategy's inception, Portland has worked proactively and collaboratively to nurture local business success. The Office of Mayor Sam Adams, Portland Development Commission (PDC), City of Portland bureaus, the private sector, higher education partners and non-profit organizations have joined together to implement the strategy. The impact of this collaboration is evident in the strong results achieved during this recessionary period.*

Financial assistance and recruitment activity are responsible for helping to retain nearly 1,100 existing jobs in Portland and to create more than 1,900 new jobs in the Portland region. Most of this activity supported job growth within existing or startup businesses; of the 132 local businesses which received financial assistance, 57% were small businesses employing fewer than 50 people. All told, an estimated 3,000 jobs have been created or retained through direct business assistance programs since July 2009.

### Jobs Created and Retained from Financial Assistance & Recruitment Activity from July 2009 to July 2011<sup>2</sup>

	# of Businesses Assisted	Net New Jobs	Created/Retained
<b>Existing/Startup</b>	<b>132</b>	<b>1,088</b>	<b>2,178</b>
Target Cluster <sup>3</sup>	31%	58%	49%
Small Business	57%	24%	24%
<b>Recruitment</b>	<b>15</b>	<b>849</b>	<b>849</b>
Target Cluster	73%	92%	92%
Small Business	67%	9%	9%
<b>Total</b>	<b>147</b>	<b>1,937</b>	<b>3,027</b>

Through cluster initiatives, neighborhood economic outreach and business development activities, PDC and City staff work with businesses to offer referrals to technical assistance providers and lenders, workforce development resources, business development and/or regulatory advisors. More than 450 businesses have received this kind of assistance from the City's economic development staff<sup>4</sup>.

The economic impact of the strategy extends beyond direct job creation and business assistance. Economic development activities create new investments, supply-chain and business-to-business opportunities, and construction jobs. Approximately \$59 million of designated financial assistance—largely in the form of multi-year loans and tax abatements—to support businesses and job growth in Portland has sparked an additional \$600 million in private and federal government investments, resulting in a projected 2,800 construction jobs.

### Financial Assistance, Private Investment, Leverage and Construction Jobs for Portland Economic Development Strategy Activity from July 2009 to July 2011<sup>5</sup>

Type of Program	Number of Businesses Assisted	Total Financial Assistance	Total Leverage	Total Investment	Estimated Construction Jobs	Leverage Ratio
PDC Business Loans	57	\$6,873,000	\$36,378,277	\$43,251,277	156	1:5
Enterprise Zone	10	\$25,178,923	\$444,706,245	\$444,706,245	857	1:17
Storefront	260	\$4,358,165	\$6,060,268	\$10,418,433	50	1:1
Green Features Grant	19	\$465,000	\$1,030,000	\$1,495,000	12	1:2
Redevelopment Loan Fund	10	\$17,420,795	\$84,553,205	\$101,974,000	794	1:5
Clean Energy Works	34	\$4,900,000	\$28,000,000	\$32,900,000	415	1:7
<b>Total</b>	<b>390</b>	<b>\$59,195,883</b>	<b>\$600,727,995</b>	<b>\$634,744,955</b>	<b>2,862</b>	<b>1:11</b>

<sup>2</sup> Job numbers reflect direct employment based on current and anticipated performance; this includes job calculations for direct jobs estimated due to redevelopment projects and anticipated employment (e.g. ReVolt, SoloPower, Vestas).

<sup>3</sup> Target cluster and small business are not mutually exclusive.

<sup>4</sup> From July 2009 to May 2011

<sup>5</sup> Financial assistance includes loans, tax abatement and grants. Construction jobs are estimated using economic modeling. Some businesses may have received more than one type of assistance.

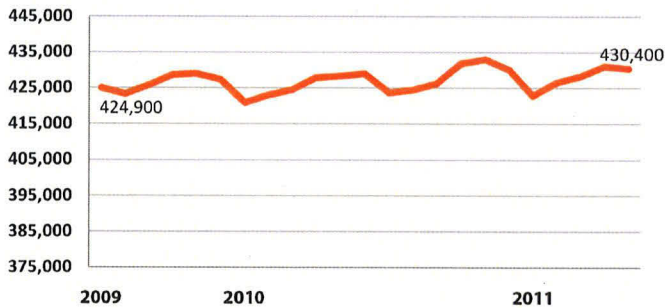


# THE PORTLAND ECONOMY

*The Portland economy continues to rebound from the recent recession. The region was hit harder than many parts of the country, and Portland's unemployment rate has been higher than the national average. Recent trends, however, suggest that Portland is improving faster than many other metro areas—buoyed by growth in manufacturing, professional services and health care industries—and current employment statistics show positive trends in the local labor market.*

Overall employment in Multnomah County grew modestly within the two-year period following the adoption of the Economic Development Strategy<sup>6</sup>. From July 2009 through May 2011, total non-farm employment in Multnomah County increased by 5,500 jobs.

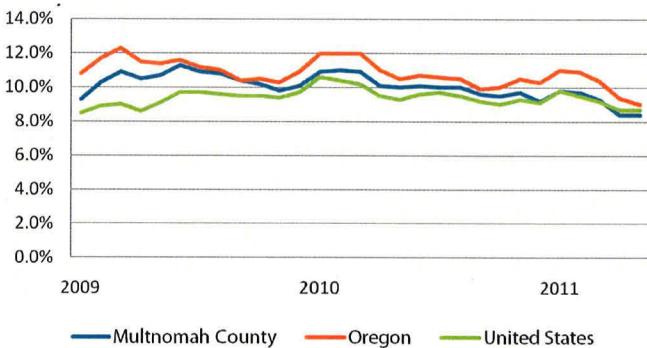
**Multnomah County Total Nonfarm Employment: July 2009 to May 2011**



Source: Oregon Employment Department, Not Seasonally Adjusted

Multnomah County's unemployment rate recently declined below the national average for the first time since early 2008. As of May 2011, Multnomah County's unemployment rate was 8.4%, compared to 9.1% for the nation as a whole.

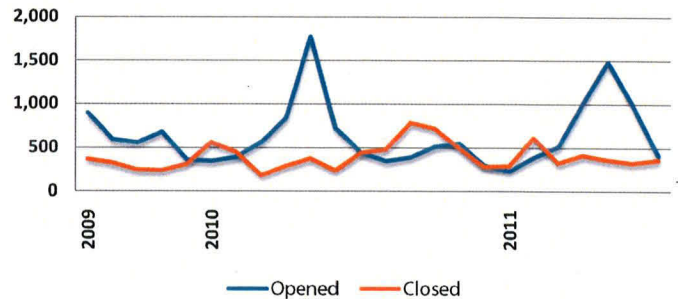
**Unemployment Rate: January 2009 to May 2011**



Source: Oregon Employment Department

The current recession has likely sparked entrepreneurial activity—more people striking out on their own to start businesses. Based on business license activity, more than 15,000 new businesses are estimated to have opened while 9,300 are estimated to have closed, for a net of 5,700 new businesses since the adoption of the Economic Development Strategy.

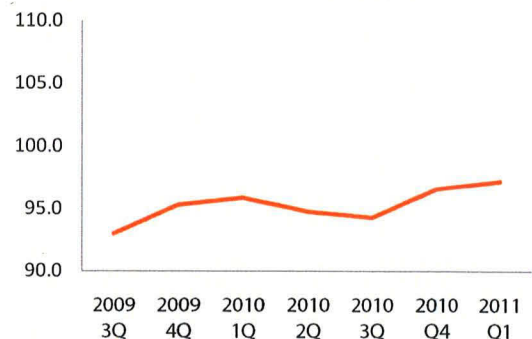
**Portland Business License Activity: July 2009 to May 2011**



Source: City of Portland Revenue Bureau

The Portland Metro Business Index (PMBI) is a composite measure of nine early indicators such as labor force, housing and tourism data designed to forecast the near-term health of Portland's economy. Starting at a base of 100 in 2002, the PMBI has seen an uptick in the recent quarters, which suggests general improvement in the regional economy. The most recent release of the index indicates that the labor market is generally strong, especially in hiring activity and payroll growth. Measures of travel and tourism activity are mixed.

**Portland Metro Business Index 2009 Q3 to 2011 Q1**



Source: University of Oregon, Oregon Economic Forum

<sup>6</sup> Multnomah County is used as a proxy for Portland employment. Eighty-five percent of all Multnomah County jobs are in the City of Portland.



# MAJOR ACCOMPLISHMENTS

## GOAL: MAXIMIZE COMPETITIVENESS

Achieving sustained job growth in Portland depends on maximizing the competitive environment for local businesses. The strategy embraces the belief that Portland's unique competitive position as a leader in sustainability will translate into growth in revenues and profits for the city's existing economic base, and for firms in target industry clusters in particular.

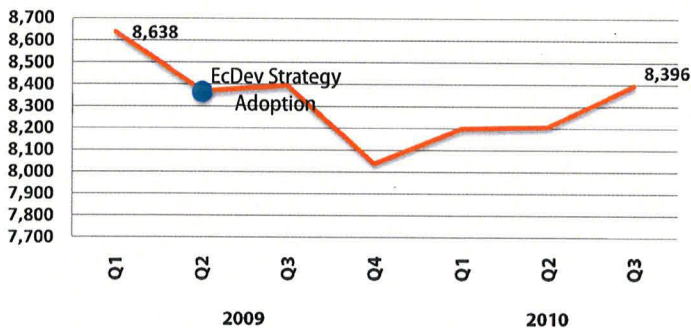
The strategy initially focused resources on enhancing business competitiveness in four industry clusters: Clean Technology, Athletic and Outdoor, Software and Advanced Manufacturing. Since its introduction, Entrepreneurial Development and Research and Commercialization have been adopted as major areas of concentration and are incorporated throughout the city's various cluster development activities. Partnerships with higher education, enhanced international business development and workforce development augment the support of the traded sector industries. While job growth is still a priority, recent employment trends in target clusters confirm the impact of the city's strategic economic development activities.

### CLEAN TECHNOLOGY

The Portland region is recognized as a global leader in clean energy. All three of the following Clean Technology focus areas benefit from supportive city and state policies and incentives:

- **Electric Vehicles:** Thanks to the widespread adoption of hybrid vehicles and investments in vehicle charging infrastructure, Portland and Oregon have witnessed a rapid growth in the electric vehicle and battery storage industry.
- **Clean Energy:** Portland's strength in wind and solar energy is driven by a strong manufacturing workforce and the engagement of utilities.
- **Green Development:** Portland's leadership in green building is fueled by its early adoption of energy-efficient construction, strong industry leadership and technical expertise.

**Multnomah County Clean Technology Job Change: 2009 to 2010**



Source: Quarterly Workforce Indicators  
 Note: Due to data limitations, job numbers includes some industries not considered part of Clean Technology, but are included to represent overall trend.

### MAJOR ACCOMPLISHMENTS:

Secured industry-leading companies including Vestas North America headquarters; recruited SoloPower, a maker of thin solar cells, and ReVolt Technology, a leader in energy storage, to Portland resulting in 751 new jobs and 300 retained jobs.

Developed the wind energy supply chain; this effort led to \$2 million in increased sales for local producers of turbine parts and service providers assisting with ongoing maintenance.

Signed a memorandum of understanding with General Electric to help local companies expand into new markets; and entered into a memorandum of understanding with BRE of the U.K., Sanyo Homes of Japan and Fagerdala of Sweden for a Green Innovation Park and new product development to occur in Portland.

Launched Drive Oregon to support the Electric Vehicle industry; Portland City Council adopted the Charge Portland electric vehicle strategy



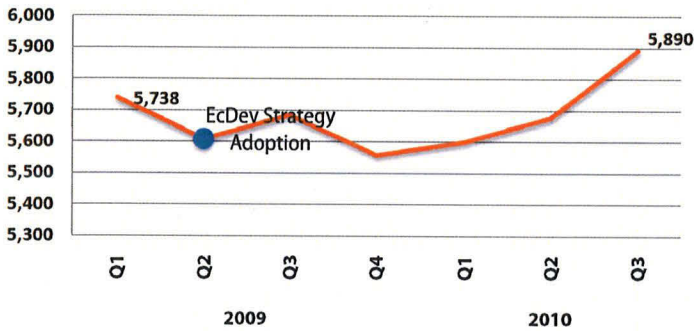


GOAL: MAXIMIZE COMPETITIVENESS

**ATHLETIC AND OUTDOOR**

Portland is recognized as the global hub for the Athletic and Outdoor industry because of the region's many small and innovative firms and its anchoring industry pioneers Nike, Columbia Sportswear and Adidas. With the greatest number of footwear patents in the country, the companies that comprise the Athletic and Outdoor cluster are internationally renowned for their design talent and innovation.

**Athletic & Outdoor Job Change:  
2009 to 2010**



Source: Quarterly Workforce Indicators  
 Note: Due to data limitations, job numbers includes some industries not considered part of Athletic and Outdoor, but are included to represent overall trend.



**MAJOR ACCOMPLISHMENTS:**

Recruited Hi-Tec's U.S. headquarters to Portland; assisted Showers Pass, Portland Design Works, Queen Bee, Sugar Wheel Works, Danner-LaCrosse and Hub Collective with expansion efforts.

Published a comprehensive industry study of the Portland and Oregon Athletic and Outdoor industry; created a genealogy map illustrating the provenance of local and regional Athletic and Outdoor firms; and created an industry-defined action plan focused on leadership, talent, entrepreneurship, innovation sustainability and branding.

Launched the first online directory of regional and state-wide Athletic and Outdoor firms, encompassing more than 300 businesses.

Launched Design Forum/PDX, a resource organization to support creativity, design and product development by driving the implementation of a materials resource library to catalyze innovation across multiple industries including Athletic and Outdoor.

Sponsored the Outdoor Industry Association (OIA) Eco-Index and invested in opportunities to help more Portland companies participate, including a training session and the launch of a matching grant program leveraged by OIA.





GOAL: MAXIMIZE COMPETITIVENESS

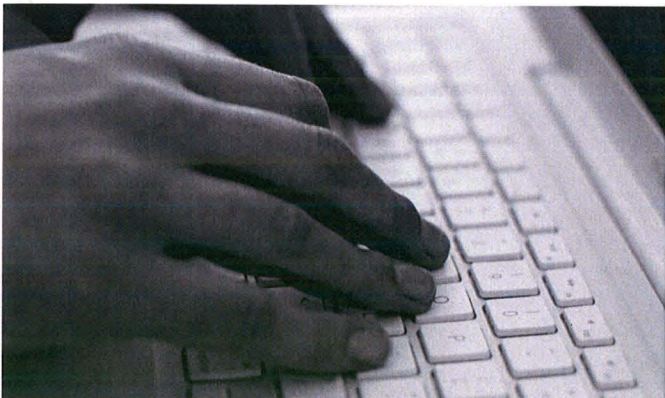
**SOFTWARE**

Portland possesses a promising software cluster with firms across a range of industries including embedded software, web-based applications and mobile applications. Included in this cluster are firms specializing in search engine marketing and optimization and email marketing. Open Source has considerable strength in the local software community, as demonstrated by the number of major Open Source conventions and trade shows held here, including Open Source Convention (OSCON), the Government Open Source Conference (GOSCON), and Open Source Bridge. Software plays a prominent role in Portland's well-recognized and active startup culture.

**Multnomah County Software Job Change:  
2009 to 2010**



Source: Quarterly Workforce Indicators



**MAJOR ACCOMPLISHMENTS:**

Created the Portland Seed Fund to stimulate entrepreneurial growth through small scale investments in startup companies and secured an independent fund manager through a competitive process to ensure transparency; Portland's initial grant of \$500,000 leveraged more than \$1.5 million in additional public/private resources to capitalize the fund at \$2 million.

Completed a software industry survey with more than 860 respondents; hosted roundtables and industry events with local technology leaders to help inform activities that support the local software and technology community.

Launched PDX 11, a major initiative to support the Portland software industry through mentoring, financing and knowledge sharing.

City of Portland acted as an "early adopter" through a \$50,000 contract with local compliance software provider Zapapproved; the firm has since grown exponentially, announcing in April of this year that it had landed \$1.45 million in angel funding to support additional expansion.

Supported organizations focused on assisting software entrepreneurs including Portland Ten, Nedspace, and the Oregon Entrepreneurs Network's Angel Oregon; numerous participating companies went on to secure later stage funding including ShopIgniter for \$3 million and Orchestra with \$1 million.



AboutUs



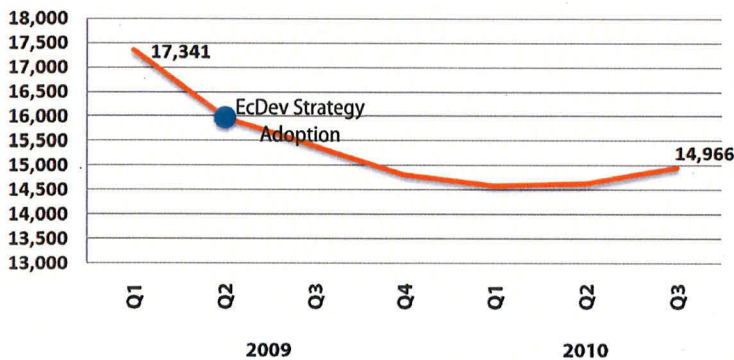


GOAL: MAXIMIZE COMPETITIVENESS

**ADVANCED MANUFACTURING**

Advanced manufacturing is the largest of the targeted clusters. Oregon ranks fifth in the United States by manufacturing's percentage of Gross Domestic Product and Portland is the epicenter of the state's manufacturing activity. Advanced Manufacturing firms are strong partners in Portland's sustainability culture, recycling more materials than any other industry. Design and engineering competency is considered a primary strength of the region's cluster and global supply chain opportunities are driving renewable energy growth in the region.

**Multnomah County Advanced Manufacturing Job Change: 2009 to 2010**



Source: Quarterly Workforce Indicators

**MAJOR ACCOMPLISHMENTS:**

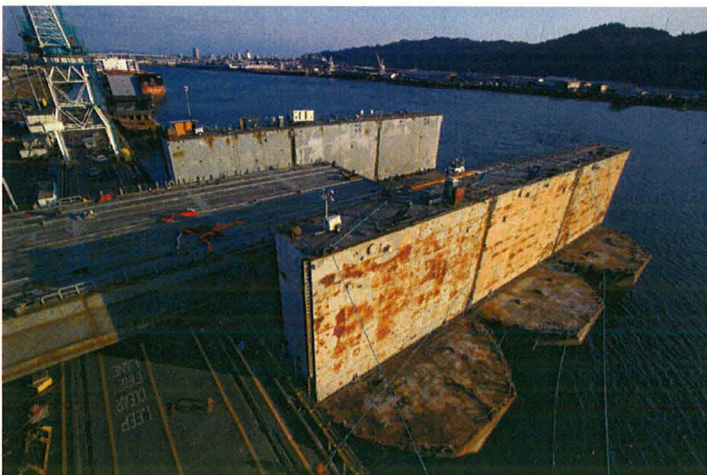
Facilitated the creation of United Streetcar (a subsidiary of Oregon Iron Works), the only United States streetcar manufacturer, by ordering six new streetcars in conjunction with the creation of the Eastside Streetcar Loop, thereby generating approximately 90 local jobs from a \$20 million dollar public investment.

Worked with partners to support supply-chain development through the creation of the Northwest Connectory, an inventory/ marketplace of manufacturing companies in the region.

Assisted manufacturing businesses and leveraged \$500,000 in private investment for lean processes and waste reduction through the Oregon Manufacturing and Extension Partnership and Zero Waste Alliance matching grant programs.

Helped eight Advanced Manufacturing businesses to either locate or expand as part of the Portland Enterprise Zone resulting in a completed and projected \$437 million in new investment and 564 jobs.

Organizations including Worksystems, Inc, Business Oregon, PDC, Manufacturing 21, Pacific Northwest Defense Council, Portland area educational institutions, Advanced Manufacturing businesses, and IT businesses partnered to submit an application to the U.S. Department of Labor for a \$5 million grant to provide workforce skills training over a four-year period in the targeted sectors. Twelve Advanced Manufacturing businesses signed on as grant partners.





GOAL: MAXIMIZE COMPETITIVENESS

**INTERNATIONAL STRATEGY,  
HIGHER EDUCATION,  
WORKFORCE DEVELOPMENT**

International business development, workforce development and partnerships with higher education create a supportive environment for existing businesses and enhance economic competitiveness. Traded sector firms, those that sell goods and services into national and international markets, account for a third of total employment in the Portland region. The Portland region recently ranked second among the nation's largest 100 metros in terms of both export growth and exports as a share of gross metropolitan product. In addition, more than 44,000 jobs are attributable to foreign direct investment. Strategy implementation has included a coordinated effort to identify opportunities for local firms to fulfill global demand for clean technology products, components and services.

Portland's status as a center of innovation in sustainability depends on the frequent introduction of new technologies and a continued infusion of entrepreneurial, management and engineering talent into the workforce. The recognition of higher education institutions as the innovation engine of our sustainable economy is leading to an alignment of resources to support Portland's sustainable economy, and ensure the quality and efficiency of the workforce system.

**MAJOR ACCOMPLISHMENTS:**

**Higher Education**

Invested \$1.5 million and led the construction of the Portland State University (PSU) Wet Lab within the PSU Business Accelerator; the bio-lab supports startup companies in Oregon's growing bioscience industry, and advances the city's economic development strategy to drive innovation and entrepreneurial activity.

Established a new Research and Commercialization Cluster to support innovation, technology commercialization, new product development and entrepreneurship at regional research universities and centers.

Participated in the proposed new Life Sciences Center in South Waterfront; OHSU's Collaborative Life Science Building is being built in partnership with the Oregon University System, and will allow OHSU to expand the size of incoming classes and provide additional space for job-generating research.

**MAJOR ACCOMPLISHMENTS:**

**International Strategy**

The Brookings Institution recently named Portland as one of four pilot cities in the Metro Export Initiative (MEI). The MEI helps regional civic, business, and political leaders, with state and federal partners, develop regional export plans to foster economic growth through increased export activities. Brookings will also partner this year with leaders in three other metro areas to develop these export strategies – Los Angeles, Minneapolis-St. Paul, and Syracuse.

City, state and national partners hosted an International Road Show during World Trade Week to connect local companies with potential export opportunities; coordinated the annual Mayor's International Awards attended by more than 500 participants; launched the Global Portland website to list resources, events and contacts for export assistance in the Portland region.

Solicited interest for partnerships with private sector to attract an EB-5 (federal foreign direct investment program) Regional Center; one Regional Center approved, the first in the state, and four more in application.

Partnered with regional and state organizations on strategic outbound visits to Japan, Canada, U.K, Germany and Spain, among other destinations, to meet with targeted industry prospects; trade mission to Canada, first Portland export mission in recent memory, resulted in new green building contracts such as Columbia Green Technologies' \$1 million contract for green roof construction.





GOAL: MAXIMIZE COMPETITIVENESS

MAJOR ACCOMPLISHMENTS:

**Workforce Development**

Worked closely with Worksystems, Inc. (WSI) to use a “Renew” grant to provide resources for both incumbent and new worker training at cluster businesses and other firms.

Implemented Pathways Out of Poverty “Green Jobs” training grant which has contracted with many of the same community-based organizations served through PDC’s Economic Opportunity Initiative (EOI) project to better align occupational skills training investments to meet the needs of joint targeted underserved local residents.

The local Workforce Investment Board adopted a strategic plan which incorporated regional competitiveness to align workforce development and resources with Portland’s target industry clusters.

WSI awarded training funds to 11 Clean Tech, Advanced Manufacturing and Healthcare businesses through a competitive proposal process in February 2011; employed worker training projects will finish by December 31, 2011 and train more than 900 workers.

Two hundred new workers have completed green trainings or are currently participating in trainings for Clean Technology from WSI-funded training. WSI contracted for \$200,000 in training resources through Oregon Training Network wherein 120 people have been trained in Small Technology businesses throughout the metro region.



**Film and Video**

Major film projects supported by the Mayor’s Office of Film in the last two fiscal years include “Extraordinary Measures,” “Restless,” “Cold Weather,” “Gone,” and NBC movie “A Walk in My Shoes.” Television series include two seasons each of “Leverage” and “Portlandia,” plus new NBC thriller, “Grimm.” As an example of how much these larger productions bring to our region, Leverage Season Three had 471 local hires on its payroll who worked nearly 205,000 hours. The show also paid 411 local vendors. Much of this economic boost directly benefited the city of Portland.

In addition to these major projects, many smaller productions also bring jobs and revenue to the city. Employers such as Nike, Adidas and Pendleton shoot year-round throughout the city. Portland-based production companies also work on commercial projects for both local and non-local clients.



# MAJOR ACCOMPLISHMENTS

## GOAL: DRIVE URBAN INNOVATION

*Portland's leadership in sustainability and urban character is an economic asset and an advantage over peer cities. The city's status as an urban innovator is the result of investments in transit, land use, bicycling infrastructure, high density development, green building and recycling. Portland's distinctive position as an urban laboratory provides opportunities to test and showcase new technologies and products, and is a powerful draw for entrepreneurs and an educated, creative workforce. These investments and accomplishments combine to form a culture and knowledge base that advances Portland's unique economic assets as well as its sustainable way of life.*

*To maintain our cutting-edge distinctiveness and reputation for sustainability, Portland has embarked on the next generation of sustainable solutions and catalytic investment in green development and a vibrant urban core.*

### NEXT GENERATION BUILT ENVIRONMENT

Portland is actively working to maintain its leadership position in green building and sustainability. While the rest of the world embraces LEED building standards, Portland is working on the next generation of sustainable building and district development practices, solidifying our leadership with unrivaled expertise and reputation. Portland's commitment to developing the next generation built environment enhances the city's image and provides local firms with a flow of new business leads and opportunities to export products and services.



### MAJOR ACCOMPLISHMENTS

Completed schematic design on the Oregon Sustainability Center (OSC), a joint project between the City, the Oregon University System, Portland State University and various private sector partners. OSC is the first triple net zero building pursuing the Living Building Challenge and, when complete, will showcase Portland's sustainability leadership nationally and internationally. The project has attracted significant investment from the private sector, including SANYO and InSpec.

Oregon BEST leveraged the OSC to create a beta site for university/industry partnerships through the Sustainable Built Environment Research Consortium, which has raised resources to fund research for new product development prior to project construction.

Created the opportunity to put the latest innovations in green building and infrastructure into practice at a district scale through EcoDistricts. The Portland Sustainability Institute and PDC recently developed toolkits to capture best practices in EcoDistrict development and to provide a roadmap for pursuing key strategies in five pilot EcoDistricts: Rose Quarter/Lloyd District, PSU, Lents, Gateway and South Waterfront.

Launched Clean Energy Works Oregon with a \$20 million competitive federal grant to encourage residential energy retrofits through a private/public partnership. The innovative on-utility-bill financing program provides low-cost capital for homeowners, creates living wage jobs and reduces energy usage. The pilot program, Clean Energy Works Portland, and the follow-on statewide initiative have successfully completed more than 541 homes and created 27 permanent jobs and 415 construction jobs.



GOAL: DRIVE URBAN INNOVATION

**CENTRAL CITY VITALITY, SUSTAINABILITY LEADERSHIP AND THE PORTLAND BRAND**

Even with Portland’s enviable position as an icon of urban vitality, Portland’s Central City is facing a critical moment in its evolution. Maintaining the character and appeal of the Central City is essential to attract talented and creative workers who drive innovation, new product development and entrepreneurship, and to generate job growth in the city’s target clusters.

Portland in itself is a brand, one associated with a commitment to sustainability, quality of life, entrepreneurship, and progressive thinking. Active management of Portland’s brand allows the city and region to cultivate and leverage its value to realize maximum benefit for our city and regional economy.

**MAJOR ACCOMPLISHMENTS:**

**Sustainability Leadership and the Portland Brand**

Created a new public/private regional economic development corporation, Greater Portland, Inc. (GPI), by merging Greenlight Greater Portland and Portland Vancouver Regional Partners. GPI, in partnership with Portland and other regional communities, established a new industry- and innovation-focused brand to increase Portland’s profile nationally and internationally.

The city and region continue to earn high rankings for green development innovations and sustainable way of life. Recent accolades include:

- No. 2 of America’s Top 50 Bike-Friendly Cities  
– *Bicycling Magazine*
- No. 4 of The Top 5 Cities for Green Jobs  
– Center for American Progress
- No. 3 of Top 10 Climate-Ready Cities in the United States  
– Triple Pundit
- Second-greenest Metro in the United States  
– *Site Selection magazine*
- Ranked 15th in the nation for total cost savings from Energy Star buildings  
– *Environmental Leader*
- One of the 25 most electric vehicle-ready cities in America  
– Ford Motor Company



**MAJOR ACCOMPLISHMENTS:**

**Central City Vitality**

Implemented a Downtown Retail Strategy; a year-round marketing program, streetscape improvements, two successful years of PDX Pop-Up Shops, and re-tenancing efforts with major retailers H&M, Sephora and Nike.

Secured federal funding for critical rehabilitation needs at Portland’s Union Station as part of High Speed Rail Initiative; \$8.5 million secured with implementation under way.

Completed Burnside-Couch couplet redesign to facilitate Burnside Bridgehead redevelopment and signed Memorandum of Understanding with developer to catalyze the renovation of 80,000 square feet of commercial space at Convention Plaza.

Completed construction of Directors Park, opened in October 2009, to enhance downtown retail and office development.

Began construction of Eastside Streetcar Loop, creating 103 construction jobs and a \$148 million investment; line to open fall 2012.

Partnered with Portland State University to develop a joint economic development strategy and new PSU-centered Urban Renewal District to support the university in its efforts to enhance research, technology commercialization, job creation and workforce development.

Began redevelopment of the Globe Hotel as the new home for the Oregon College of Oriental Medicine which will complement other redevelopment in Old Town/Chinatown.

Implemented extensive public process on the future of the Veterans Memorial Coliseum and the Rose Quarter. A decision was made to renovate the MC into an enhanced spectator venue; work under way to complement area with Athletic and Outdoor business activity.



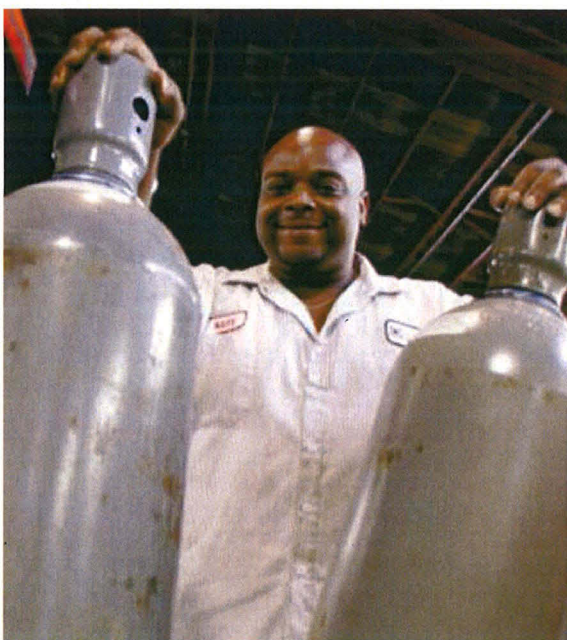
# MAJOR ACCOMPLISHMENTS

## GOAL: NEIGHBORHOOD BUSINESS VITALITY

*Portland is committed to economic development approaches focused on creating local jobs and improving commercial districts across the city. Much of Portland's recent economic success is attributable to homegrown businesses and industries started in neighborhoods to serve local markets, including brewers and distillers, coffee roasters, bike builders and designers. Equally important are Portland's commercial districts, which provide entertainment, shopping and services for a growing number of people. Portland will continue to expand support for neighborhood commercial districts and business districts to help business and residents across the city connect to and compete in the regional economy.*

### SMALL BUSINESS SUPPORT AND NEIGHBORHOOD VITALITY

The Portland City Council recently adopted a Neighborhood Economic Development (NED) Strategy to refine how community partners, business leaders and public partners can collectively foster economic opportunity and neighborhood vitality throughout Portland. This new strategy builds on the lessons learned and the momentum established through the early success of the Portland Main Street program, increased City and partner services for small businesses and catalytic neighborhood investments. The NED Strategy sets forth a plan to 1) build local capacity, 2) drive neighborhood business growth, and 3) align resources with the goal of improving the profitability of local businesses, increasing real median family income and achieving job growth in Portland neighborhoods that need it most.



### MAJOR ACCOMPLISHMENTS:

Funded commercial streetscape improvements on Russell Street, 102nd Avenue, Denver Avenue, and Foster/Woodstock; 260 businesses received \$4.3 million in Storefront and/or Signage and Lighting improvement grants, 93 percent of which were small businesses.

Launched the Green Features for Business Grant program in the Interstate, Gateway and Lents Urban Renewal Areas to encourage small businesses to improve their efficiencies by implementing green practices. The program has helped 19 businesses reduce their operating expenses and environmental footprint, supporting the creation of 24 new jobs.

Through the Economic Opportunity Initiative, invested nearly \$1 million per year to provide microenterprise development services to low-income individuals to grow and start small businesses; approximately 500 business owners were served through Mercy Corps NW, Hispanic Chamber, Microenterprise Services of Oregon, the Small Business Legal Clinic, and the Oregon Microenterprise Network.

Created Business Development Strategies to target investments and create jobs in the Gateway Regional Center and the Lents Town Center Business District. In Lents, outreach resulted in PDC storefront grants and business loan applications to bring long underutilized commercial properties online. In Gateway, an employment-focused Gateway Transit Center Framework was launched.

Amended the Interstate Corridor Urban Renewal Area to bring business development assistance to additional commercial corridors such as downtown St. Johns, N.E. Killingsworth at N.E. 15th, The Dekum Triangle, NE Alberta Street and NE Martin Luther King Blvd.

Through the Commercial Redevelopment Loan Program, PDC has invested \$2.3 million to bring 40,000 sq. ft. of new commercial space in commercial and mixed-use buildings to commercial corridors in the Interstate, Oregon Convention Center and Lents Urban Renewal Areas. This investment has leveraged \$6.4 million of private capital.



GOAL: NEIGHBORHOOD BUSINESS VITALITY

**PORTLAND MAIN STREET**

Development of the Portland Main Street Program, a neighborhood commercial district revitalization approach, began in June 2009 with resources from the Portland City Council. Portland Main Street follows the very successful lead of urban Main Street programs in Boston, Chicago, Baltimore and Washington D.C., while adding its own unique approach and emphasis on sustainability. This community-driven, comprehensive effort is designed to build on the particular assets of each commercial district and increase its competitiveness through organization, promotion, design and market-based solutions.

Through a competitive process, Alberta, Hillsdale, and St. Johns were selected to participate in the inaugural year of the Portland Main Street Program.

**MAJOR ACCOMPLISHMENTS:**

Three Main Street communities began first year of operation in July 2010, with each district hiring a full time executive director, establishing boards of directors and receiving 135 hours of training and technical assistance to support them in developing work plans.

Leveraged approximately \$150,000 in private funding for operation and administration of Main Street Program and leveraged nearly 6,000 combined volunteer hours through \$90,000 in annual administration grants to the districts from the City of Portland.

Provided citywide trainings available to all business districts and interested community members, including "Basic Main Street 101," "Fund Raising Training," and "Growing Your Membership" in partnership with the Alliance of Portland Neighborhood Business Associations.

Each Main Street used additional City of Portland project grants to initiate tailored business district improvements including façade improvements, landscaping design and trash receptacle installation as well as a street cleanup, the development of a walking map and successful retail promotions.

**BUSINESS PORTLAND**

Historically, Portland small business technical assistance programs, development permitting and economic development programs have been tough to navigate for small businesses with limited time and resources. In the past two years, Portland has taken steps to improve the delivery of business services by streamlining the permitting process and making it easier to access relevant information.

**MAJOR ACCOMPLISHMENTS:**

Launched **Business Portland** ([Portland4biz.com](http://Portland4biz.com)), a new one-stop web site geared toward small business and entrepreneurs seeking to start or grow their business. The site provides easy access to information on business development services, financing and incentive tools, site selection assistance, workforce development and training opportunities, and international business development – as well as information on current news and events applicable to the business community.

Since being introduced, Business Portland has had more than 31,000 visitors. Of those visiting the site, 75 percent have been new and there is a 25 percent return rate meaning that almost 8,000 visitors have found a reason to use the site more than once. The number one source of information that visitors seek on the site is about starting a business in Portland.

Streamlined the City's permitting process by co-locating the permitting functions of eight previously disparate City bureaus and established a business hotline (503.865.4BIZ) to help small businesses navigate City services.





Agenda No.  
**REPORT NO.**  
Title

Accept the Portland Economic Development Strategy: A Five-Year Plan for Promoting Job Creation and Economic Growth - Two Year Status Report (Report)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Adams</b>	CLERK USE: DATE FILED <u>JUL 15 2011</u>
<b>COMMISSIONER APPROVAL</b>	LaVonne Griffin-Valade Auditor of the City of Portland
Mayor—Finance and Administration - Adams <i>[Signature]</i>	By: <u><i>[Signature]</i></u> Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
<b>BUREAU APPROVAL</b>	<b>ACTION TAKEN:</b>
Bureau: Portland Development Commission Bureau Head: Patrick Quinton <i>[Signature]</i>	<b>JUL 20 2011 ACCEPTED</b>
Prepared by: Randy Evans Date Prepared: July 14, 2011	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Council Meeting Date <b>July 20, 2011</b>	
<b>City Attorney Approval</b>	

<b>AGENDA</b>
<b>TIME CERTAIN</b> <input checked="" type="checkbox"/> Start time: <u>11:00AM</u>
<b>Total amount of time needed:</b> <u>45min</u> (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/> <b>Total amount of time needed:</b> _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	✓	
4. Leonard	_____	
Adams	✓	