

Multnomah & Washington County Regional Investment Plan

**Prepared by the
Multnomah-Washington County Regional Investment Board**

With assistance from the
Institute of Portland Metropolitan Studies
College of Urban and Public Affairs
Portland State University

**Prepared for
the Counties of Multnomah and Washington, their citizens, Oregon
Economic and Community Development Department, Oregon State
Legislature, The Governor of the State of Oregon**

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1. Executive Summary

The Portland economy has grown consistently for a decade and a half, outperforming the nation. Population, wages, and personal incomes have risen while the economy has evolved from a singular reliance on natural resources to an increasingly diversified mix of knowledge-based and traditional industries. Today we no longer rely solely on drawing a living from the land, but also trade on the products and services created by skilled people attracted to our community and its natural and built environments. These skilled people, attached to this special place, have allowed us to develop distinctive competencies that manifest themselves in certain industry clusters that are the driving force behind the regional economy.

Both Multnomah and Washington Counties have benefited from the successful economy in similar ways. Thriving in the new global economy, their growth in population and employment has been sustained by a rich and increasingly diversified job base. This economic diversification has its roots in the growth of clusters of knowledge-based high technology industries. However, the region has also continued to support traditional strengths in natural resource and manufacturing industries, with one major difference: Like their counterparts in high technology, these industries are increasingly reliant on the expertise of their workforce to establish themselves as innovative economic competitors.

Notwithstanding the positive changes of the past decade, our economic growth has presented us with a central unresolved paradox that raises concerns over our ability to maintain and continue to improve our quality of life. The benefits of economic growth have not been enjoyed evenly across the region's increasingly diverse population. Not only has the regional economy failed to produce enough family-wage jobs, but persistent problems with poverty remain a fact in the region as well. In response, the development of skills and expertise in all parts of the population, especially in distressed communities, is critical to future economic success. Placing this economic change in context, the Regional Investment Board concludes that

- ⇒ *Our economy is doing well*
- ⇒ *Our counties are job-rich*
- ⇒ *Our population is becoming more diverse*
- ⇒ *We still face pockets of poverty and there are communities that have not shared in the benefits of a growing regional economy*
- ⇒ *Knowledge, skills, and expertise are the keys to our future economic success*

These statements highlight the fundamental connections between people, places, and industry clusters in driving the regional economy. The centrality of these three themes has guided the Regional Investment Board in the development of the Regional Investment Plan and a strategy for funding projects. To that end:

⇒ ***The mission of the Regional Investment Board is to develop and implement a plan that will help sustain the ongoing evolution of our regional economy by increasing the capacity of all people to participate in and benefit from our economic growth, catalyzing efforts to ensure that all communities are great places to live and do business, and fostering vital, innovative industry clusters.***

To achieve this mission, the Regional Investment Plan will focus on three goals:

□ **People**

Increase the capacity of all people to participate in and benefit from economic growth by improving **worker skills**, providing pathways to **entrepreneurship**, and enhancing **life-long learning opportunities**.

□ **Places**

Ensure that all **communities** are great places to live and do business, have adequate and high quality **public infrastructure**, and sustain **environmental quality**. In considering these issues, the Board will pay special attention to the **needs of distressed communities**.

□ **Clusters**

Foster vital, innovative **industry clusters** by meeting the physical needs of industry, promoting cluster relationships, and supporting efforts to improve global competitiveness and enhance innovative capacity. Regional clusters currently include high tech, creative services, metals/machinery/transportation equipment, nursery products, specialty foods/craft beverages, and lumber and wood products.

2. Background: What is the purpose of the Regional Investment Plan?

The Regional Investment Plan charts the means by which the Multnomah-Washington County Regional Investment Board (RIB) will implement the Rural Investment and Regional Investment Programs in accordance with ORS 285B.230 to ORS 285B.263 and ORS 285B.269, as amended by Senate Bill 1128, and OAR 123-044-0000 to 123-044-0090 and OAR 123-045-0000 through 123-045-0060.

The purpose of Oregon's economic development strategy, outlined in the legislation above, is to promote the improvement of Oregon's economy to better provide for the well-being of its citizens. Advancing those goals, the Multnomah-Washington Regional Investment Plan is intended to provide a strategy through which the Board can make investments in the Region's economic and community development priorities and as a means for ensuring that investments yield the intended results. More than a list of projects, the Plan is expected to provide guidance for the Board and other decisionmakers seeking to advance regional priorities consistently and effectively.

In addition, this strategy directly ties into the state's economic strategy (SB 1128) which addresses the following priorities:

- ❑ Focusing on Oregonians in communities that are rural, economically distressed or lack diverse employment opportunities, including providing assistance in recruiting jobs from outside the community or state and financing necessary infrastructure;
- ❑ Assisting Oregonians who are unemployed or in low-income jobs;
- ❑ Assisting start-up companies and companies already doing business in Oregon; and
- ❑ Helping regions that are committed to making a strong progress toward an integrated structure and process for strategic planning and project development

Towards those ends, the Plan includes criteria for making investments and the basis upon which program impact and regional performance will be judged. The Plan is intended to be a dynamic document, evolving as conditions change and assumptions get tested. The Regional Investment Board is the body that will develop the plan and monitor its performance. Upon initial adoption of the Plan, and taking action through the process the Plan establishes to make both Regional and Rural investments, the Board will continue to review and refine the plan in consultation with citizens, cities and counties, public agencies, civic and business organizations, and other interested parties.

3. Regional Investment Board Members

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Multnomah County	John Ball	Worksystems inc.	241-4600	241-4622	711 SW Alder Suite 200 Portland, OR 97205	Jball@worksystems.org
	Bud Caverly	Dupont Photomasks	674-2330 x3001	674-2336	23932 NE Glisan St. Gresham, OR 97030	Bud.caverly@photomask.com
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4. Resource Analysis: What do we know about the region?

Shaped by the growth of industry clusters and the region's diversification into skill- and knowledge-based industries, Portland's successful economic performance has great significance for the communities that make up the region. The following analysis of what we earn and learn, where we live and work, how we travel, and in the end what we value as a community guides the Regional Investment Strategy.

□ People

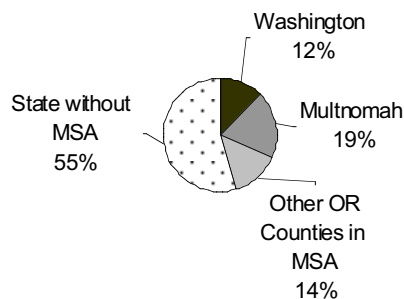
The positive economic changes of the last decade are reflected in the region's burgeoning population. Further, by many measures we are better educated and better off than has ever been the case. That said, the benefits of this economic growth have not been enjoyed evenly across the region's increasingly diverse population. The regional economy has not produced enough family-wage jobs, and faces persistent problems with poverty.

Who lives here?

The region's population has changed substantially over the past decade. Growth is projected to continue, largely through in-migration, resulting in significant differences that should be anticipated by the Regional Investment Plan. These include decreases in the numbers of young adults and school-aged children, as well as an increase in the region's ethnic diversity.

Population has steadily increased over the 1990's, and is projected to surpass two million by 2010. Washington County was the fastest growing county on the Oregon side of the region, adding 73,000 residents between 1990 and 1997, for an increase of 23 percent. Multnomah County also grew, adding 55,000 residents during the same period, although its 9 percent growth rate was the slowest in the metropolitan region. In 1998, Multnomah and Washington Counties' total population was 1,031,288 people. This amounts to one-third of the state's population of 3,282,055.

Chart 2: Metro Share of State Population, 1998



Source: Regional Economic Information System, Bureau of Economic Analysis

Natural increase in population (the difference between births and deaths) contributed to about 31 percent of the region's growth. The area's overall population increase of 264,000 between 1990 and 1997 was composed of a natural increase of 84,000 and estimated net in migration of 180,000.

As represented below, the region's population is projected to include fewer school-age children (ages 5-17), who should move from 19.9 percent of the population in 1995 to 18.4 percent of the

population in 2010. Further decreases are projected in the numbers of young adults (ages 18-24), who should drop from 10.3 percent of the population in 1995 to 9.8 percent in 2010. Only the share of working age adults (age 25-64) is projected to increase, growing from 57.4 percent of the region's population in 1995 to 59.7 percent in 2010.

Table 7: Age composition

	1995	2000	2005	2010
School age (5-17)	19.9	19.3	18.8	18.4
Young adults (18-24)	10.3	10.5	10.2	9.8
Working age (25-64)	57.4	58.5	59.6	59.7
Elderly (65+)	12.3	11.7	11.4	12.2

Source: IMS Metro Briefing Book 1999

While the region's population is relatively homogenous compared to other major U.S. cities, the minority population has risen dramatically in the last decade, from 139,890 persons in 1990 to 200,020 persons in 1997. This has been driven by large increases in the region's Hispanic population, which grew from 44,733 in 1990 to 77,100 in 1997, a 72 percent increase. Also contributing were a 42 percent increase in the region's Asian population from 44,644 in 1990 to 66,200 in 1997 and a 22 percent increase in the region's African-American population from 38,816 to 47,200 in 1997.

Table 8: Ethnic Composition

	1990	1997	Percent Increase
Overall population	139,890	200,020	43
Hispanic	44,733	77,100	72
Asian	46,644	66,200	42
African American	36,186	47,200	22

Source: Institute of Portland Metropolitan Studies: Metro Briefing Book, 1999

Issues such as education and workforce training are greatly affected by changes in the age makeup and ethnic diversity of the region. Thus, as growth and increasing diversity continue, the changing composition of Metropolitan Portland's population is of great significance to the Regional Investment Plan.

What do we earn?

While the region has seen increases in employment over the past decade, the Regional Investment Plan should be concerned not only with the quantity of jobs, but with their quality. Incomes and wages have risen generally at a faster rate than the nation as a whole, indicating the benefits that have accrued to the region from growth in industries relying on the skill and expertise of workers. However, data on average occupational wages and poverty indicate that not everyone was able to share in the regional economic success.

Historically, the Portland metropolitan area has enjoyed a per capita income somewhat higher than the U.S. average. In fact, the region's per capita income has risen from a little over \$4,000 per year in the late 1960s to more than \$27,388 in 1997. Except for the years 1980 to 1982, real incomes have risen from year to year, indicating a steadily improving standard of living. Adjusted for inflation, Portland residents have about \$10,000 more in income than in the late 1960s. Compared to the nation, Portland's per capita income has risen by 4.8 percent between 1990 and 1997.

Income distribution data from the 1990 Census also shows that Portland’s income is much more evenly distributed than is national income. For example, in 1990, 4 percent of all U.S. families and 2.5 percent of all Portland metro families had incomes of less than \$ 5,000 per year. The data shows that Portland had a smaller fraction than the nation of families earning less than \$15,000 per year, a level just above the \$13,359 poverty threshold for a family of four. The region also had a smaller fraction of its families earning more than \$75,000 per year. As a result, a larger fraction of Portland families are found in the middle income categories. The following table shows the fraction of the Portland and U.S. families in low, middle and high-income groups.

Table 9: U.S. and Portland MSA Families, by Income Category, 1990

Family Income Category	U.S.	Portland MSA
Less than \$5,000	4.0%	2.5%
\$5,000 to \$9,999	5.6%	4.2%
\$10,000 to 14,999	7.2%	5.8%
\$15,000 to \$24,999	16.4%	16.1%
\$25,000 to \$34,999	16.5%	18.1%
\$35,000 to \$49,999	20.4%	23.3%
\$50,000 to \$74,999	18.2%	19.6%
\$75,000 to \$99,999	6.3%	5.8%
\$100,000 or more	5.4%	4.7%

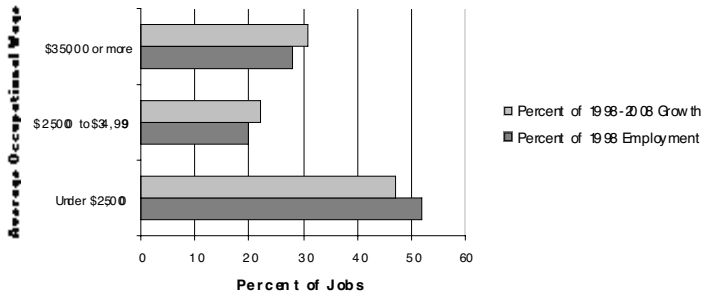
Source: 1990 Census of Population and Housing

Like income, average wages have risen steadily in the region, from about \$15,200 per worker in 1980 to about \$29,900 per worker in 1996. While this seems like an impressive gain, much of the increase is due to inflation. Stated in inflation adjusted dollars, wages per worker in the metro area are up only slightly over this time period, from about \$29,300 in 1980 to \$30,500 in 1996, an increase of just \$1,200 per worker, or about 4 percent (amounts expressed in chained 1997 dollars).

As for the distribution of those wages, the Bureau of Labor Statistics completed a survey in 1997 which provided the following data: About 10 percent of all workers earned less than \$7.30 per hour, and only about 10 percent of all workers earned more than \$27.14 per hour. Half of all workers earned between \$9.50 per hour and \$19.65 per hour.

Placing that broad range in perspective, the Oregon Employment Department surveys average wage levels by occupation. In 1998, they found that 52 percent of all jobs in the Portland metropolitan area are in occupations with average wage levels of less than \$25,000 per year. On the opposite extreme only 28 percent of the region’s work force was employed in high wage occupations earning on average \$35,000 or more. However, their forecasts through 2008 project a higher percentage of the region’s new jobs will be in higher wage categories.

Chart 3: Jobs by Average Occupational Wage



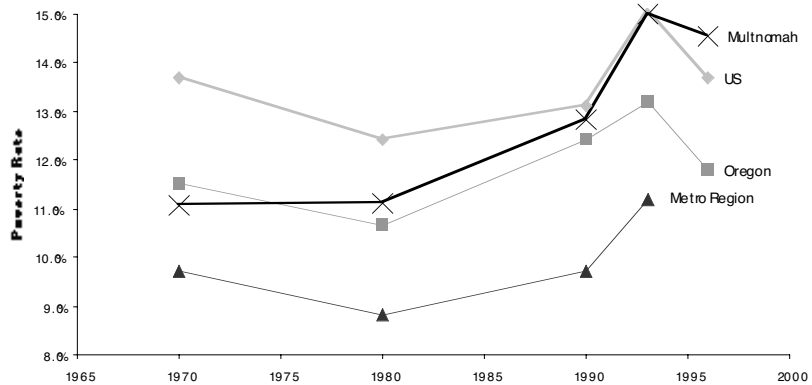
Source: Oregon Employment Department, 1999 Regional Economic Profile

Poverty rates for the nation and metropolitan region since 1970 indicate that the incidence of poverty in the region has been consistently lower. As indicated in Chart 4, U.S. rates of poverty have ranges from 13.7 percent in 1970, down to 12.4 percent in 1980 and rising to 13.1 percent in 1990. Figures for the Metropolitan Region went from 9.7 percent in 1970 to a low of 8.8 percent in 1980, rising again to 9.7 percent in 1990.

Most recent estimates from the U.S. Census Bureau (Current Population Survey) indicate that rates remain low, with 1995 figures ranging across the region from 7.1 percent in Washington County and 6.8 percent in Clark County, Washington.

The exception in the region is Multnomah County, which at 13.5 percent is the only jurisdiction with higher rates than the 12.5 percent statewide figure. Further data, compiled at the tract level for Multnomah County by the Census Bureau's American Community Survey, suggests that despite positive job growth, the incidence of poverty in Multnomah County remains high at 14.1 percent. This concentration of poverty is highest in North-Northeast Portland, with 10 percent of the county's population and 22 percent of poverty, and Outer Southeast Portland with six percent of population and 18 percent of poverty in the county.

Chart 4: Poverty Rate 1970 - 1996



Source: 1970, 1980, 1990 Census Data, American Community Survey, March 1997 Current Population Survey

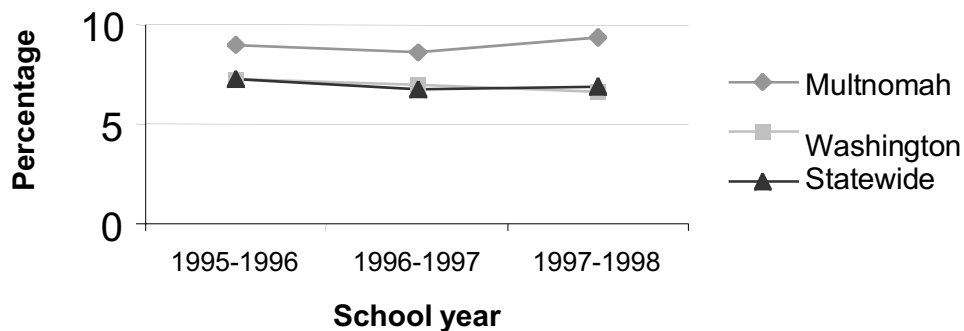
What do we know?

The disparity suggested by the juxtaposition of rising per capita incomes, low average occupational wages and persistent pockets of poverty is echoed in an examination of statistics on educational attainment and outcomes in the region. The metropolitan region's population is one of the nation's best educated, far ahead in the number of individuals holding at least four-year college degrees. However, results in secondary education are mixed, with high school drop out rates rising. This difference in educational outcomes indicates that sustaining future high levels of educational attainment should be a great concern of the Regional Investment Plan.

One-third of metropolitan Portland's adult population has at least a four-year college degree, ranking the region among the ten best-educated large metropolitan areas. Educational attainment in the region, always somewhat above the national average, has improved dramatically in the 1990s, coincident with the region's high tech boom and the in-migration of many well-educated new residents. In fact, the Oregon Employment Department estimates that about 50 percent of interstate migrants to Oregon who settle in the Portland metropolitan area have at least a four-year college degree. Further the American Electronics Association estimates that 54 percent of Oregon high tech employees have a four-year degree or greater level of education.

At the same time rates of higher education attainment were climbing, the high school drop out rates in Multnomah and Washington Counties have either been on par or have exceeded state figures. In fact, Multnomah County has consistently had one of the highest rates in the state, averaging 9 percent between the 1995-1998 school years. As outlined in Chart 5 below, Washington County's rates have been closer to statewide figures, with an average of 7 percent of student's in grades 7-12 dropping out between the 1995 and 1998 school years compared to the statewide figure of 6.9 percent. Even so, both counties lead the state in this measure, with Multnomah's rate third highest and Washington thirteenth out of Oregon's 36 counties.

Chart 5: Drop-out rates for Multnomah County, Washington County, and the State of Oregon



Source: Oregon Progress Board, 1999 County Data Book

□ Places

Economic success and population growth has turned attention to the maintenance and improvement of the region's quality of life as a key to ensuring that all communities are great places to live and do business. We increasingly live and work on a regional scale and our successful economic performance has not benefited all of the communities that make up the region. There are still areas of need and pockets of poverty that manifest themselves both geographically in distressed communities, and in communities of interest spread across the region.

Where do we work and live?

The Regional Investment Plan, in considering both population growth and its relationship to the region's valued quality of life, should be intimately concerned with questions of how we work and live. While Portland represents a much more attractive and vibrant urban core than many U.S. center cities, the region's growth in jobs and population has become increasingly decentralized over the last decade. The resulting changes in the balance between jobs and housing throughout the region affect not only transportation costs and housing affordability, but the sense of community, the strong neighborhoods, and the environment that contribute to the quality of life that attracts both people and employers to the region.

Within the region, there are tight population and employment linkages between counties, especially the region's four most populous counties – Clackamas, Clark, Multnomah and Washington – as evidenced by commuting patterns. In 1990, more than 200,000 of the MSA's workers, about one-third of the region's workforce, worked in a different MSA county than they lived in. Because much of the region's employment remains centralized, Multnomah County is a big importer of labor from the surrounding counties. In 1990 for example, commuters from outside the County held about 40 percent of the 357,000 jobs in there. Multnomah County employers provided jobs to 82 percent of the workers living in Multnomah County, 47 percent of the workers living in Clackamas County, 36 percent of the workers living in Washington County and 28 percent of the workers living in Clark County. In fact, persons living in Clackamas County are more likely to work in Multnomah County than in Clackamas County.

The projections outlined below indicate the volume of continued residential and employment growth, particularly in suburban communities. While the projected increases vary across jurisdictions, the data shows that substantial gains in population and employment in Washington County should outpace those in occurring in Multnomah County. For example, projections for Washington County indicate an increase of 207,918 person or 49 percent and an increase in employment by 240,104 jobs, or 94 percent. Multnomah County population is projected to increase by 131,208 persons, for a 23 percent increase since 1994, while employment should grow by 201,568, for a 44 percent increase.

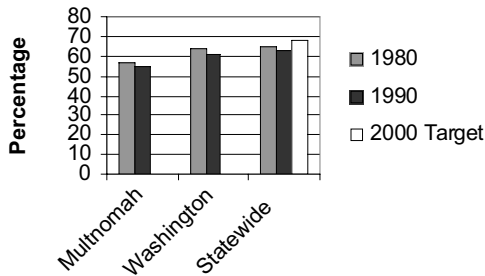
Table 10: Regional Growth

Metro/RTP Areas	Population			Employment		
	1994	2020	Projected Increase	1994	2020	Projected Increase
Multnomah County	574,694	705,902	131,208 (+23%)	454,087	655,655	201,568 (+44%)
Washington County*	424,918	632,836	207,918 (+49%)	256,246	496,350	240,104 (+94%)
Clackamas County	146,747	333,012	186,265 (+127%)	81,599	176,584	94,985 (+116%)
Clark County, WA	282,437	480,387	197,950 (+70%)	123,759	228,523	104,764 (+85%)
Rural Reserves	123,868	196,806	72,938 (+59%)	31,956	53,844	21,888 (+70%)
Total	1,552,664	2,348,943	796,279 (+51%)	947,647	1,610,956	663,309 (+70%)

Source: 2000 Regional Transportation Plan, Metro; *Includes areas of Clackamas County west of the Willamette River

Rates of owner-occupied housing are an important measure of affordability and community stability and have suffered recent reversals. Declining from 57 percent in Multnomah and 64 percent in Washington County in 1980 to 55 and 61 percent respectively in 1990, both localities trail statewide home ownership figures of 65 percent in 1980 and 63 percent in 1990, and are below the state target of 68 percent for 2000.

Chart 6: Owner occupied housing



Source: 1999 Oregon Progress Board County Data Book

What do we value?

With the region’s population continuing to grow and change, core values and beliefs that are a part of Portland’s identifiable quality of life “brand” have significance for the Regional Investment Plan. They attract and retain skilled people and sustain the growth of industry clusters. These values have found voice in public concerns dealing with sustaining community, neighborhood, the environment and quality of life in general. Recent survey research by the Institute of Portland Metropolitan Studies indicates that the protection of environmental quality and the management of regional growth are primary concerns of both the general public as well as opinion leaders.

Portland’s brand of “urban environmentalism” aims to sustain communities and neighborhoods while accommodating growth and maintaining access to the region’s natural resources. The Oregon Progress Board’s recently released “State of the Environment Report” groups

Multnomah and Washington Counties into a larger “Eco-region” that runs the length of the Willamette Valley. Stretching from Portland to Eugene, this area contains almost 70 percent of the state’s population, the majority of its industry and almost half its farmland.

Citing the Willamette Valley’s role as both Oregon’s agricultural heartland and home to the state’s urban industrial and population centers, the report notes declines in water quality and loss of native species habitat associated with the historical loss of the Valley’s natural features to urban and residential development. The Oregon Progress Board 1999 Benchmarks County Data Book also measures the impact of urban Portland on the environment, noting that increases in the average solid waste production for Multnomah and Washington County residents has grown from 1,526 pounds per year in 1990 to 1,769 per year in 1998. This exceeds the state target for year 2000 of 1,506 pounds per capita.

Who was left out of the economic success?

The Oregon Economic and Community Development Department maintains a list of "distressed areas." The evaluation of distressed communities is based on data about county unemployment rates, per capita income, average pay per worker, population changes, unemployment insurance benefit recipients, the industrial diversity based on employment distribution, families in poverty, and job loss. Based on data from these sources, the department calculates an index for which the threshold is 1.2. For Multnomah County the Lents neighborhood and North/Northeast Portland are on this list of distressed communities with an index of 1.27 and 1.48 respectively. Banks (1.85) and Gaston (1.86) in Washington County are distressed communities as well.

Working through the state needs and issues process many of the communities of rural western Washington County have identified priorities in services and infrastructure to address the quality of life issues outlined above. A similar process is underway in the Lents neighborhood and North/Northeast Portland through the Portland Development Commission’s Urban Renewal Process.

While the state list of “distressed areas” is instructive, our understanding of distress should be expanded to include communities that feature significant concentrations of the individual characteristics described in the state index, as well as unincorporated areas that are not examined and communities of interest bypassed by our economic growth. As the U.S. Census releases detailed information in the next year this could be a priority for further study.

□ Clusters

The Portland economy has grown consistently for a decade and a half, almost always outperforming the nation. Population, wages, and personal incomes have risen while the economy as a whole experienced a fundamental transformation from a singular reliance on natural resource industries to an increasingly diversified, knowledge-based economy. Today we no longer rely solely on drawing a living from the land, but trade on the products and services created by skilled people attracted to our community and its natural and built environments. These skilled people, attached to this special place, have allowed us to develop distinctive competencies that manifest themselves in industry clusters that are the driving force behind the regional economy.

What drives the economy?

The regional economic structure consists of core industry competencies that determine future economic prosperity and success. The competencies are apparent in sector growth patterns showing that several industries grew much faster in Portland than they did in the rest of the country. These key export-based industries are high technology, nursery products, creative services, and the metals industry. These four industries form the region's primary industrial clusters, which are rooted in the region and draw on current local strengths that should be sustained by the Regional Investment Plan.

These clusters drive the economy because their products are exported and their economic activity contributes to multiplier effects that benefit the region as a whole. A healthy growth of such industry clusters will contribute to their comparative and competitive economic advantage. Industry cluster growth will have obvious effects such as direct employment impacts of new hiring or economic multiplier effects. These multipliers are felt through the local economy through related growth in the retail and personal services sectors.

There are, however, less obvious effects. Firms belonging to healthy growing clusters connect with firms from other sectors in supplier-buyer relationships. These relationships contribute to the exchange of information between the firms which will help the companies to be more innovative and therefore more competitive in a global economy. Thus, industry clusters also contribute in an intangible way by cultivating these relationships, creating a form of "social capital" within the local economy.

Table 1: Portland's cluster performance, 1990 to 1996

Cluster	Number of Jobs 1990	Number of Jobs 1996	% Change
High technology	37,711	45,582	20.9%
Nursery Products	6,261	8,926	42.6%
Creative Services	8,212*	13,523*	65.7%
Metals, machinery and transportation equipment	35,817	37,134	3.7%
Lumber and Wood Products	22,041	17,610	-20.1%

Source: *Progress of a Region: The Metropolitan Economy in the 1990s. Technical Report of the Regional Connections Project, Institute of Portland Metropolitan Studies, College of Urban and Public Affairs, Portland State University, April 1999.*

* Data for creative services employment is for 1992 and 1997 respectively.

Portland's industry clusters are not static. They are dynamic and experience different rates of change over time. This pattern has been evident especially in the lumber and wood products cluster. Employment in this industry has declined dramatically, dropping 20 percent, or more than 4,000 jobs between 1990 and 1996. At the same time, other clusters experienced employment growth ranging from more than 7,000 jobs in high technology to almost 2,000 jobs in metals and transportation equipment.

High Technology Cluster

High technology industries in Portland's Silicon Forest have been characterized during the 1990s by rapid job growth and high and rising wages. Further, massive industry investment has promoted a rapidly increasing level of research and development activity, and fostered the development of many fast growing, indigenous firms. Portland's high technology industry cluster exhibits a distinctive specialization in numerous areas. These include semiconductor manufacturing, semiconductor materials, and semiconductor manufacturing equipment, as well as electronic design automation software and display technologies.

Table 2: Economic Dimensions of Portland's high technology cluster

Segment	Employment	Average Pay
Computers	4,206	\$ 48,755
Electronic & Electrical Machinery	23,530	\$ 57,771
Instruments	10,378	\$ 53,535
High Tech Wholesaling	11,607	\$ 49,195
Software and Computer Services	11,856	\$ 51,781
Total, Oregon Portion of Metro Area	61,577	\$ 53,671

Source: Oregon Employment Department, 1997 Covered Employment and Payroll Data.

Major high technology firms in the area include: Intel (14,500 employees), Tektronix (4,000), Sequent Computer Systems, now IBM (2,500), Hewlett-Packard Co. (2,000), Epson Portland Inc. (1,800), SEH America Inc. (1,800), Wacker Siltronic (1,700), Merix (1,100), Precision Interconnect (1,000) and Planar Systems (900). The knowledge created in the region by these top ten high technology firms is evidenced by the 1,459 patents they generated in 1998. In fact, between 1990 and 1998 patent growth in the region increased 10 percent per year compared to 6 percent in the rest of the nation.

Firms that take root in the Silicon Forest experience advantages from this critical mass of high technology firms. They are sustained by a growing number of venture capital firms and specialized business services, as well as a skilled labor pool from which the companies can draw. The regional high technology cluster is also supported by two important business associations: the Oregon chapter of the American Electronics Association (AEA) and the Software Association of Oregon (SAO). Geographically, high technology businesses are mainly concentrated in Washington County and some of the foreign-owned firms, mainly silicon wafer producers and large-scale fabs, are located in Clark and Multnomah counties.

Nursery Products Cluster

The nursery products industry represents another important cluster, one with a history in the regional economy dating back to the turn of the century. The industry consists of more than 1,000 mostly small, locally owned firms, employing more than 10,000 workers, and generating annual sales of more than half a billion dollars.

Table 3: Economic Dimensions of Portland's nursery industry cluster, Metro Portland & Marion County, 1998

Segment	Employment	Average Pay
Nursery products	6,408	\$ 19,600
Landscape and horticultural consulting services	359	\$ 26,957
Lawn and garden services	3,226	\$ 22,551
Shrub and tree services	306	\$ 26,801
Wholesale flowers and florist supplies	791	\$ 19,939
Retail nursery and garden supply stores	740	\$ 21,484
Totals	11,829	\$ 20,956

Source: Oregon Employment Department, 1998 Covered Employment and Payroll Data.

A key to the industry's success has been cooperative marketing efforts promoted by the Oregon Association of Nurserymen (the state trade association) as well as the tight geographic concentration of firms on the fringes of the urbanized portion of the metro region. Producing a highly specialized, high quality, "value-added" agricultural product, Oregon's nursery industry accounts for about 11 percent of all the nursery products produced in the United States.

Creative Services Cluster

The creative services industry cluster is largely concentrated in downtown Portland. This industry encompasses firms in software, multimedia, advertising, public relations, film and video, and design firms. Between 1992 and 1997, jobs in creative services grew twice as fast as the regional economy, 9 percent annually for creative services, compared to the 4.4 percent for the metropolitan average.

Table 4: Economic Dimensions of Portland's creative service cluster, 1997

Segment	Employment	Average Pay
Advertising agencies and services	2,346	\$ 43,694
Advertising, commercial photo, graphic design	1,224	\$ 31,201
Computer software, integration and data processing	7,719	\$ 52,106
Motion pictures	1,257	\$ 31,655
Theatrical producers and services	587	\$ 18,201
Public relations services	390	\$ 45,554
Totals	13,523	\$ 45,193

Source: Oregon Employment Department, 1997 Covered Employment and Payroll Data.

The economic vitality of this industry is enhanced by firms' strong relationships to each other as suppliers and customers of each other's services and products. The industry's Creative Services Alliance is the focus of a wide range of collaborative industry activities. In addition to enhancement of collaboration and networking among firms, the Alliance supports businesses in areas of work including talent and workforce development, marketing the region as a creative service hub, and promoting business development infrastructure.

Metals Products Cluster

Within the Portland region's manufacturing sector the cluster of firms in the metals industry is an important employer. About 1,700 firms directly employ more than 55,000 workers. The average pay for the industry is \$35,000 per year, about one-third more than the average for all workers in the Oregon economy. Metals industry firms are involved in a diverse range of activities. These include primary metal production, and manufacturing of fabricated components, as well as designing and building a wide range of specialized machinery and transportation products such as trucks, railcars, ships, and aircraft components.

Table 5: Economic Dimensions of Portland's metals products cluster, 1996

Segment	Employment	Average Pay
Primary metals industries	11,028	\$ 40,411
Fabricated metals products	13,810	\$ 30,794
Industrial machinery & equipment	14,972	\$ 39,237
Transportation equipment	15,508	\$ 35,767
Total	55,318	\$ 35,397

Source: Oregon Employment Department, 1996 Covered Employment and Payroll Data.

Geographically, metals products manufacturers are fairly dispersed throughout the region, with a few concentrations in widely scattered locations. The Metals Industry Council primarily represents the larger firms in the industry, while The Oregon Precision Metal Fabricators Association works with smaller firms, many of whom are suppliers to the high tech industry.

What do clusters mean for the region's economic performance?

The growth of specialized industry clusters has occurred as the region moves from a singular reliance on the natural landscape to a diversified economy built on a landscape of knowledge and skills. Understanding the connection between the health of clusters and the region's healthy economic performance has a great significance for the Regional Investment Plan. As outlined below, the region has thrived economically during this transition.

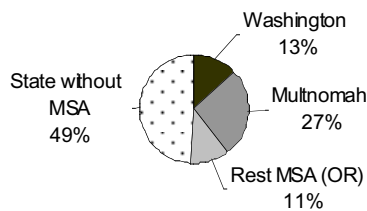
Table 6: Key Economic Indicators, Portland Metropolitan Area, 1997 compared to all U.S. Metro Areas

	Portland	All U.S. Metropolitan Areas
Population	1,789,790	
Population Growth 1990-1997	2.3%	1.1%
Employment	1,165,642	
Employment Growth 1990-1997	3.4%	1.6%
Manufacturing Employment	155,263	
Manufacturing Growth 1990-1997	2.5%	-0.4%
Per Capita Income	\$ 27,388	\$ 26,840
(Percent of Metro Average)	102.0%	100%
Per Capita Income Growth 1990-1997	4.8%	4.0%

Source: Bureau of Economic Analysis, Regional Economic Information System

For nearly a decade and a half, Portland has compiled a record of strong employment and population growth. The population of the Portland metropolitan region has steadily increased over the past three decades totaling 1,789,790 in 1997. The majority of this increase came from in-migration into the region. According to 1997 population estimates, the majority of the region's population lives in the region's job centers of Multnomah and Washington counties.

Chart 7: Metro Share of State Employment, 1998



Source: Regional Economic Information System, BEA

The region has recorded increases in employment since 1983. Total full- and part-time employment in the Portland area economy has grown especially rapidly during the 1990s. Since 1990, total full- and part-time employment in the region has increased from 923,000 workers to nearly 1,185,000 workers in 1998. During the eight-year period from 1990 to 1998, the Portland metro economy added nearly 262,000 jobs. In 1998, Washington and Multnomah counties accounted for 40 percent of Oregon's employment.

The region added 26,000 new manufacturing jobs between 1990 and 1998. This growth in Portland, driven by expansions in high skill and high technology manufacturing, has occurred at a time when manufacturing employment has been declining nationally.

Portland's unemployment rate has consistently been below that of both the nation and the rest of Oregon as well. The region's 1997 unemployment rate of 4.3 percent is in keeping with rates that have been low by historical standards over the past decade. Unemployment ranged between 3.7 percent, the low point in calendar year 1995, and 6.4 percent for 1992, the highest rate recorded in the 1990s.

5. Needs & Barriers

While our economy is doing well, our single greatest barrier to continued success has been the lack of a coordinated economic and community development strategy. This undermines efforts to sustain our economic growth and broaden its reach throughout the communities that make up the region. Sincere efforts at the local level may understand the fundamental connections between people, places, and industrial clusters in driving the regional economy, but they lack a framework to connect these themes across political and programmatic boundaries. Beyond this broad concern, several needs and barriers related to the plan's strategic elements emerged during the data collection process:

□ People

While workforce development is consistently cited as a priority across the region, the effectiveness of programs, whether in higher education, secondary schools, or employment and training, was questioned in interviews conducted for this plan.

Despite the fact that the region is job-rich, and while incomes are rising, it appears that the region does not develop enough family-wage jobs. In many areas we face a skills mismatch between the current population and the new, high-wage jobs that are driving the regional economy. This leads to inequitable distribution of economic growth and a failure to affect persistent pockets of poverty in the region. While as a region we may agree in response that our people need to develop greater expertise, the scope of the problem overwhelms purely local action.

Structural barriers to access to education and training for some population groups may also pose challenges to regional economic and community development policy. Needs in specific minority communities for mentoring and/or programs to link residents to regional workforce development and education opportunities are one of many responses to such structural barriers.

□ Places

Further, our public infrastructure, particularly in transportation, represents a frequently cited concern for communities across the region. Our regional growth is creating challenges in areas of access and affordability that reach across political boundaries and affect how we work, live and do business. These problems raise fundamental concerns about our quality of life and the very reasons that have attracted and retain the talented people who work in the industrial clusters that drive our economy.

In addition, distressed neighborhoods and communities face numerous service and infrastructure needs in order to be able to provide jobs and livable residential environments. While distressed areas may enjoy some of the strongest sense of community in the region, they face some of the greatest barriers to maintaining quality of life.

□ **Clusters**

Unforeseen developments in the world economy might pose new needs and barriers to the development of various export industries in the region. Thus, ongoing monitoring of the health of the region's clusters and attention to tasks that facilitate their development remain an important need for the region.

6. The Regional Investment Strategic Framework

Based on its analysis of the region’s resources, needs, and barriers, the Regional Investment Board has identified three goals for its investments in the region:

- ❑ **People:** Increase the capacity of all people to participate in and benefit from economic growth by improving **worker skills**, providing pathways to **entrepreneurship**, and enhancing **life-long learning opportunities**.
- ❑ **Places:** Ensure that all **communities** are great places to live and do business, have adequate and high quality **public infrastructure**, and sustain **environmental quality**. In considering these issues, the Board will pay special attention to the **needs of distressed communities**.
- ❑ **Clusters:** Foster vital, innovative **industry clusters** by meeting the physical needs of industry, promoting cluster relationships, and supporting efforts to improve global competitiveness and enhance innovative capacity. Regional clusters currently include high tech, creative services, metals/machinery/transportation equipment, nursery products, special foods/craft beverages, and lumber and wood products.

Strategic Elements	Primary Strategy	Secondary Strategies
People	Improve worker skills.	Enhance opportunities for and pathways to entrepreneurship.
		Educate the next workforce: Higher education
		Educate the next workforce: Primary and secondary education
Places	Enhance the livability of and business climate within distressed communities.	Maintain and improve quality of life
		Provide quality public infrastructure
		Sustain and enhance environmental quality
Clusters	Foster vital, innovative industry clusters for: - high technology, - creative services, - metals, machinery, transportation equipment, - nursery products, - specialty foods / craft beverages; and - lumber and wood products.	Meet the physical needs of industry
		Promote cluster relationships
		Improve global competitiveness
		Enhance innovation

People

“...increase the capacity of all people to participate and benefit from our economic growth...”

Primary Strategy:

✓ Improve worker skills

The region’s continued strengths in traditional and emerging industries are challenged by the increasingly technical demands of work in these fields, and the inability of many firms in some industries to attract younger workers to replace their rapidly aging workforces.

- ⇒ **The Regional Investment Plan should assist both workers and employers with maintaining up-to-date and transferable skills, now and into the future.**

Secondary Strategies:

✓ Enhance opportunities for and pathways to entrepreneurship

Despite more than a decade of dramatic increases in employment, the regional economy has not produced enough family-wage jobs, and faces persistent problems with poverty, suggesting that the benefits of economic growth have not been enjoyed evenly across the region’s increasingly diverse population.

- ⇒ **The Regional Investment Plan should assist those that have not had the opportunity to participate in the strong economy, particularly residents of rural and distressed communities, by promoting entrepreneurship opportunities, as well as efforts that support those facing barriers to participation in the workforce.**

✓ Educate the next workforce: Higher education

Having relied heavily on attracting skilled workers from outside of Oregon, the region’s industries need a higher education system that enables the region to “grow its own” expertise in the workforce. Additionally the system should be able to provide the continuing education demanded by our existing high skills workforce.

- ⇒ **The Regional Investment Plan should support enhanced offerings from universities and community colleges across the region that augment public and private cluster workforce development efforts.**

✓ Educate the next workforce: Primary and secondary education

A quality primary and secondary system is crucial both to developing a skilled workforce and providing everyone with the opportunity to benefit from the strong economy.

Further, negative student outcomes could create barriers to retaining talented people and the firms they work for in the region.

- ⇒ **The Regional Investment Plan should support efforts aimed at improving outcomes in primary and secondary education, while also forging closer links between education and industry.**

Places

“...catalyzing efforts to ensure that all communities are great places to live and do business...”

Primary Strategy:

✓ **Enhance the livability of and business climate within distressed communities**

Certain communities consistently bear the burden of the region’s problems with poverty and limited opportunities for family-wage employment. Representing untapped resources for firms, their development would improve the region’s competitive position.

- ⇒ **The Regional Investment Plan should work to bring the benefits of our region’s economic growth to distressed or lagging communities.**

Secondary Strategies

✓ **Maintain and improve quality of life**

Concern over maintaining and improving quality of life is a defining characteristic for residents in both Multnomah and Washington Counties. Our quality of life is found in the spectacular natural environment, vital and attractive city centers, vital and safe communities, and healthy urban/rural/suburban systems that meet the needs of our region’s people.

- ⇒ **The Regional Investment Plan should support efforts aimed at addressing the effects of community growth and change that threaten to undermine the region’s quality of life.**

✓ **Provide quality public infrastructure**

Infrastructure is vital both to our quality of life and economic competitiveness as a region. The quality of that infrastructure has been challenged by our growth and success in recent years.

- ⇒ **The Regional Investment Plan should support efforts to upgrade and update infrastructure in a manner that is efficient and sustainable.**

✓ **Sustain and enhance environmental quality**

Maintaining our quality of life over the long term is intimately connected with the quality of the natural and built environment.

- ⇒ **The Regional Investment Plan should promote a long term regional outlook that maintains a commitment to environmental quality as the region’s “brand.”**

Clusters

“...fostering vital, innovative industry clusters.”

Primary Strategy

✓ Foster vital, innovative industry clusters for:

- high technology
- creative services
- metals, machinery, transportation equipment
- nursery products
- specialty foods/craft beverages, and
- lumber and wood products.

Secondary Strategies

✓ Meet the physical needs of industry

Industry clusters are firmly rooted in geography. While the region hosts several unique physical environments where industry clusters have thrived, some industries and some areas face challenges for economic growth. These challenges include the availability of land or buildings, and the ability to efficiently move goods and people.

- ⇒ **The Regional Investment Plan should support efforts to retain healthy industry clusters in communities across the region.**

✓ Promote cluster relations

Individual firms that make up Washington and Multnomah County’s industry clusters are rooted in relationships to each other and to public and private institutions in the region. Such relationships are important for the competitive success of the clusters.

- ⇒ **The Regional Investment Plan should promote cluster relationships as well as a better understanding of the dynamics of such clusters.**

✓ Improve global competitiveness

The region’s industry clusters compete in global markets. Connections to producers, suppliers and markets regionally, nationally, as well as internationally are critical to maintaining competition.

- ⇒ **The Regional Investment Plan should support projects that ensure the global competitiveness of the businesses in the region.**

✓ Enhance innovation

Washington and Multnomah County host unique industrial clusters. The success and resilience of these clusters depends on the ability of the businesses to create innovation in products and processes.

- ⇒ **The Regional Investment Plan should support efforts to enhance the innovative capacity of the region’s industrial clusters.**

7. Implementation

After the Board approved the Regional Investment Strategy, a request for proposals was sent out on November 21, 2000 to more than 400 interested parties in Multnomah and Washington County. Applicants were given until February 9, 2001 to submit proposals. Workshops for applicants to learn more about the Regional Investment Program took place during January in Gresham, Hillsboro, and Northeast Portland. These meetings provided applicants with the opportunity to meet the Board staff and learn important information concerning the Regional Investment Plan, the application, contracting and other issues. Staff will review submitted proposals and the Board will select projects using the following criteria:

- ❑ **Responsiveness to application requirements** outlined in the RFP. Requirements include:
 1. Executive summary: a clear and concise presentation of the project goals and outcomes.
 2. Project narrative: the narrative should provide a clear explanation of how the proposed project responds to the goals and strategy presented in the Regional Investment Plan. In addition, the narrative should explain how the project will be accomplished, what its outputs and outcomes will be, and how the project will be assessed.
 3. Budget: a presentation of how all resources needed to complete the project will be secured and allocated.
 4. Letters of commitment from other funding sources.
 5. Letters of support from project partners.

- ❑ **Addressing the strategic themes:** The Regional Investment Board has developed the strategic themes of people, places, and clusters in response to conditions in the region and near-term opportunities. It expects proposed projects will directly address at least one of these three themes consistent with the objectives outlined in the Regional Investment Plan. The Board also recognizes that the three strategic areas are closely linked to each other. To reflect these interdependencies, project proposals that pertain to more than one of the key themes will be encouraged and reviewed more favorably.

- ❑ **Leveraging funds:** Projects must leverage funding or in-kind contributions from other sources or demonstrate why it is not feasible or warranted at this time. Given the diverse and dynamic nature of the region, and the wide range of needs in area communities, the Board does not expect to provide 100 percent of the resources needed to successfully complete proposed projects. Further, if projects propose using Regional or Rural Investment funds as match for other, as yet unsecured funds necessary for the completion of the project, applicants should explain what the Regional or Rural Investment funds will produce in the way of outputs and outcomes during the project period.

- ❑ **Partnerships:** Projects must show partnerships with other organizations, institutions or groups or demonstrate why it is not feasible or warranted at this time. If an organization, institution, or agency is involved in any of the activities of a proposed project, or expected to respond in any way to either a project or its products, then a letter of support should be provided by that organization, institution, or agency.

In making its selections, the Board will fund projects in a manner that is geographically balanced. Although final intermediate outcomes for each project will be negotiated at the time when contracts are signed, the Board will also pay close attention to the proposed impact of projects and the manner in which applicants propose to assess impacts. The Board may choose to negotiate funding levels and other aspects of projects with proposers.

Further, the Board recognizes that some projects will require more than one year to be of greatest utility to the region, and to fully respond to the goals of the Plan. The issues addressed by this Plan are not easily addressed or resolved solely with the resources of the Board or within a single year. Consequently, the Board encourages sponsors of long-term projects to submit proposals recognizing that funding must be requested in increments and outcomes need to be assessed and demonstrated annually.

Given the broad nature of its task, and the fact that this is the first round of investments in the region, the Board will necessarily be exercising its discretion in crafting a package of investments that in its view will best meet the needs of the region and best, as a package, enable the Board to learn how its Regional Investment Strategy works. The Board will screen and rank projects for funding, keeping in mind the criteria listed above and its interest in crafting the best overall package of projects. The Board will select projects for funding in February and March. All decisions of the Board will be final. Successful applicants will enter into contracts with the Portland Development Commission, the Board's fiscal agent, and begin work in April/May. Funds must be expended within one year.

Contracting Requirements

The Portland Development Commission, acting as the contract administrator for the Multnomah-Washington Regional Investment Board, requires the following information and documentation be provided in order to execute Grant Award Agreements with successful applicants:

Certificates of Insurance:

- ❑ Provide commercial general and automobile liability insurance written on an "occurrence" basis.
- ❑ Such insurance shall be in the amount of not less than \$500,000 combined single limit for liability insuring bodily and/or personal injury, including death and disease, and property damages.
- ❑ Include coverage for any owned, non-owned or hired motor vehicle equipment, contracted liability, operations, products, completed operations, negligent acts, and all operations of subcontractors.
- ❑ Provide a certificate of insurance that names the "*Portland Development Commission and the City of Portland and each of their respective officials, employees and agents*" as additional insureds (exact language must be used).
- ❑ Provide that coverage afforded will not be canceled without at least 30 days prior written notice to the Commission.

Worker’s Compensation Insurance:

- ❑ The contractor, its subcontractors, if any, and all employers working under this contract who are subject employers under the Oregon Workers’ Compensation Law shall comply with ORS 656.017, which requires them to provide workers’ compensation coverage for all their subject workers. The contractor shall maintain workers’ compensation insurance coverage for the duration of the contract.

Federal Tax ID Number:

- ❑ Every contractor is required to provide their federal tax ID number.

State Tax ID Number:

- ❑ Every contractor is required to provide their state tax ID number.

Business License (For Profit Companies or Organizations):

- ❑ Every for profit contractor is required to hold a City of Portland Business License or the appropriate Business License for the location of the organization and its work. These organizations will also need to enter into a “First Source Hiring Agreement” with the Board, which will commit the contractor to attempting to employ residents of distressed communities through *worksystems inc.*, the regional workforce agency.

Reporting Requirements

As a part of this program, the State of Oregon requires that contractors must also report on a regular schedule detailed information on their activities. These involve not only spending by contractors and their partners, but information on project outputs and outcomes as well. Failure to completely respond to reporting requirements can be a reason for contract termination.

8. Rural Action Plan

Rural investment funds will be made available to areas in the region outside of the Metro Urban Growth Boundary, including incorporated cities located in those rural areas. The Regional Investment Board will apply the same set of criteria for projects applying for rural, regional, and multi-regional investment funds. All applicants should respond to the strategic framework outlined in the Regional Investment Plan.

9. Disadvantaged / Minority Involvement

The Regional Investment Plan recognizes that the population of Multnomah and Washington County is becoming more diverse. Additionally, the two counties still face pockets of poverty highlighting the fact that there are communities that have not shared in the benefits of a growing regional economy. Therefore, the Regional Investment Plan identifies specifically the needs of distressed communities as a primary investment target.

The Regional Investment Board and staff solicited comprehensive input from a variety of community and economic development groups. Input was solicited from various ethnic groups, rural communities, as well as representatives from low-income communities. Additionally, the Board and staff has made extensive outreach efforts to disadvantaged and minority individuals, groups, and organizations regarding the existence of the Regional Investment Program, the availability of funds, and the application process. We have also consciously located workshops for applicants in diverse communities.

10. Evaluation

The evaluation of the Regional Investment Program is based on the goals established for the region. The Board identified specific higher level outcomes as regional benchmarks (see matrix next page) that will be collected and used to evaluate the overall strategy. In addition, the Board will work with project applicants to define, measure, and monitor outputs and intermediate outcomes as described below.

Outputs

- The numbers of items produced by a program or project funded by the Regional Investment Board. Viewed through a short term perspective they indicate progress toward intermediate outcomes.

Intermediate Outcomes

- Proposed by applicants, these milestones are viewed through a short to medium term perspective. They represent the changes associated with the successful completion of a program or project and which contribute to overall efforts aimed at achieving high level outcomes.

High Level Outcomes

- Changes in the overall quality of the region's economy or capacity of its workforce being sought through the combined efforts of public, private, and nonprofit sector efforts. Progress towards these broad goals is viewed over a long-term perspective and is affected by societal forces. Achieving these outcomes is beyond the scope of an individual project.

If applicable contractors must also report of the relationship of their activities to distressed areas, as well as any jobs that may have been created or retained in the region that can credited to their activities.

Strategic Elements	Regional Investment Goals	Intermediate Outcomes	High Level Outcome / Regional Benchmark
People	<i>Increase the capacity of all people to participate in and benefit from economic growth by improving worker skills, providing pathways to entrepreneurship, and enhancing life-long learning opportunities.</i>	<i>To be proposed by project applicants</i>	<ol style="list-style-type: none"> 1. Percentage increase of adults completing high school or equivalent 2. Percentage increase in adults who have postsecondary professional-technical credentials 3. Percentage increase in adults who have completed – bachelor’s degree – advanced degree 4. Percentage increase in average wages compared to percentage increase in regional median income 5. Percentage increase in number of certified minority and women-owned business enterprises 6. Number of additional business start-ups
Places	<i>Ensure that all communities are great places to live and do business, have adequate and high quality public infrastructure, and sustain environmental quality. In considering these issues, the Board will pay special attention to the needs of distressed communities.</i>	<i>To be proposed by project applicants</i>	<ol style="list-style-type: none"> 1. Percentage change in median family income in distressed communities as compared to the percent change of regional median income 2. Percent change in unemployment rate in distressed communities as compared to the percent change of regional unemployment rate 3. Percent change in poverty rate in distressed communities as compared to the percent change of regional poverty rate 4. Percentage decrease of households paying more than 30% of gross monthly income for housing 5. Percentage increase in homeownership 6. Percentage increase in households able to afford the median-priced house 7. Decrease in number of air quality non-attainment days 8. Decrease in number of water quality limited streams or stream segments 9. Percentage increase in residents who commute fewer than 30 minutes between home and work 10. Decrease of vehicle miles traveled per capita per year 11. Percentage increase of roads in fair or better condition
Clusters	<i>Foster vital, innovative industry clusters by meeting the physical needs of industry, promoting cluster relationships, and supporting efforts to improve global competitiveness and enhance innovative capacity. Regional clusters currently include high tech, creative services, metals/machinery/transportation equipment, nursery products, special foods/craft beverages, and lumber and wood products.</i>	<i>To be proposed by project applicants</i>	<ol style="list-style-type: none"> 1. Increase in value-added exports as a percent of total exports 2. Percentage increase in registered patents 3. Percentage increase of industrial property that meets development requirements 4. Enrollment increase in graduate and continuing education programs

11. Management

Washington and Multnomah County have each appointed six members to the Regional Investment Board. The Multnomah and Washington County Region has contracted with the Portland Development Commission as the fiscal agent and with Portland State University's Institute of Portland Metropolitan Studies for administrative management of the plan. In this capacity, Portland Development Commission and Portland State University will record and document the expenditures of the funds allocated by the Regional Investment Board, and track the progress of projects.

12. First-Source Hiring Agreements for "Benefited Businesses"

In the event that funding is directly awarded to private businesses, a first-source hiring agreement for "benefited businesses" (ORS 461.740) will be required.

13. Appendices

A) Glossary of Terms

Capacity - The ability and resources needed to take action, improve conditions or circumstances, and/or engage the economy.

Competitiveness - The qualities associated with being able to attract and retain enterprises, investors, and labor needed to sustain the economy.

Distressed Communities - Communities defined by the Oregon Economic and Community Development Department as lagging economically compared to other Oregon communities.

High Level Outcomes - Changes in the overall quality of the region's economy or capacity of its workforce being sought through the combined efforts of public, private, and nonprofit sector efforts. Progress towards these broad goals is viewed over a long-term perspective and is affected by societal forces. Achieving these outcomes is beyond the scope of an individual project.

Industry Clusters - Groups of firms that work together to promote innovation and competitiveness with respect to global markets and standards.

Inputs - The resources committed to a program or project.

Intermediate Outcomes - These milestones are viewed through a short to medium term perspective. They represent the changes associated with the successful completion of a program or project and which contribute to overall efforts aimed at achieving high level outcomes.

Leverage - Promote the contribution of resources to programs or projects.

Match - dollars or other in-kind resources committed to a project which augment dollars being requested from the Regional Investment Board.

Multiregional Projects - Projects that are jointly funded by the Multnomah-Washington County Regional Investment Board and at least one other Regional Investment Board in the state of Oregon.

Outputs - The numbers of items produced by a program or project funded by the Regional Investment Board. Viewed through a short term perspective they indicate progress toward intermediate outcomes.

Partners - Individuals, organizations, or firms committed to jointly funding and conducting a program or project.

Primary Strategy - The highest priorities of the Regional Investment Board.

Public Infrastructure - Any public works, telecommunications, or other infrastructure owned and developed by a city, county, the state, regional government, special or port district.

Regional Benchmarks - The high level outcomes being sought by public bodies in the metropolitan area.

Regional Economy - The economy of the six-county Portland Metropolitan Statistical Area.

Regional Investment Board - The Board appointed, in this case, by Multnomah and Washington counties and charged with developing and implementing the Regional Investment Plan.

Regional Investment Goals - The goals to be served by the Regional Investment Plan. Progress towards these goals is assessed through the use of High Level Outcomes and Regional Benchmarks.

Regional Investment Plan - The strategy used by the Regional Investment Board to guide its investment of regional, multiregional, and rural investment funds in the region.

Regional Investment Program - The program developed by the State of Oregon to support regional efforts to sustain and improve regional economies and promote needed community development efforts.

Rural Action Plan - A strategy for addressing the needs of communities and enterprises located outside of urban growth boundaries.

Secondary Strategy - Actions needed to support Primary Strategies and/or achieve the Regional Investment Goals.

Strategic Element - The central summary themes for the Primary Strategies.

B) Interviews

Organization	Contact	Date of Interview
Oregon Economic and Community Development Department	Joan Rutledge Marcy Jacobs	July 7, 2000
Consultant	Pat Scruggs	July 12, 2000
Portland Development Commission	Larry Pederson	July 13, 2000
City of Hillsboro	David Lawrence	July 13, 2000
City of Beaverton	Janet Young	July 13, 2000
Neighborhood Partnership Fund	Cathey Briggs Kathy Kniep	July 14, 2000
City of Gresham	Shelly Parini Max Talbot	July 17, 2000
Westside Economic Alliance	Betty Atteberry	July 18, 2000
Consultant	Jan Bureson	July 18, 2000
Professor	Karen Gibson	July 18, 2000
Washington County	Dennis Mulvihill	July 19, 2000
Columbia River Economic Development Council	Bart Philips	July 19, 2000
Columbia Pacific Economic Development District	Jeff King	July 19, 2000
Hillsboro Chamber of Commerce	Shirley Huffman	July 19, 2000
City of Tualatin	Doug Rux	July 20, 2000
City of Vancouver	Gerald Baugh	July 20, 2000
Worksystems inc.	Kristin Wolff	July 20, 2000
Oregon Association of Nurserymen	Jeff McIvor	July 20, 2000
Multnomah County	John Rackowitz	July 21, 2000
Oregon Economic and Community Development Department	Ellen Nyberg	July 24, 2000
Community Development Network	Tasha Harmond	July 25, 2000
The Skanner	Bernie Foster	August 30, 2000
Oregon Business Council	Duncan Wise	September 14, 2000
Worksystems inc.	John Ball	September 18, 2000
OAME	Sam Brooks	September 18, 2000
Hispanic Chamber of Commerce	Gail Castillo	September 19, 2000
Clackamas County	Greg Jenks	September 28, 2000
US EDA	Ann Berblinger	September 29, 2000

Portland Development Commission	Lita Colligan	October 2, 2000
City of Portland Commissioner	Eric Sten	October 4, 2000
Mayor's Office	Linly Rees	October 6, 2000
Japan America Society	Jan Bureson	November, 2000
OECD, Clackamas	Pat Allen	November, 2000
Rural Development Initiative	Craig Smith	November, 2000
Sapporo Chamber	Yoshio Kurosaki	November, 2000
African American Chamber of Commerce	Roy Jay	November 10, 2000
Oregon Agri-Business Council	Mary Stewart	November 13, 2000
Multnomah County	Jeff Cogen	November 15, 2000
Portland-Shouzhou Economic Development Commission	Jin Lan	November 21, 2000
Portland Metro Chamber	Sho Dozono	December 13, 2000

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