

**Multnomah-Washington Regional Investment Board
2001-2003 Regional Investment Plan Update**

Adopted by Regional Investment Board on February 13, 2002

I. Introduction:

The Multnomah-Washington County Regional Investment Board is charged with developing, funding, implementing, and monitoring the Regional Investment and Rural 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 123-045-000 through 123-045-0060. This Plan is in satisfaction of these statutory and regulatory requirements.

In February 2001, the Multnomah-Washington Regional Investment Board adopted its first Regional Investment Plan. That plan was developed following an assessment of the region's recent economic performance and ongoing economic and community development needs. The plan highlights the fundamental connections between people, places, and industry clusters in driving the regional economy. These connections are reflected in the board-adopted mission statement:

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 focused on three themes:

- 1) **People:** Increase the capacity of all people to participate in and benefit from economic growth by improving **worker skills**, providing pathways to successful **entrepreneurship**, and enhancing **life-long learning opportunities**.
- 2) **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**.
- 3) **Clusters:** Foster vital, innovative **traded sector 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.

These themes were pursued within the framework of the Governor's Quality Development Objectives and the Regional Investment Plan, which were used as the basis for allocating grants to 35 projects. Those projects are currently underway and slated for completion in June, 2002.

Consideration will be given to the Governor's Quality Development Objectives during upcoming funding decisions. The Governor's Quality Development Objectives include the following components:

- Promote compact development within urban growth boundaries.

- Give priority to a quality mix of development that addresses the economic and community goals of a community and region.
- Encourage mixed use, energy-efficient development.
- Support development that is compatible with a community's ability to provide adequate public facilities and services.
- Facilitate development that is compatible with community and regional environmental concerns and available natural resources (e.g., available water, air quality, etc.).
- Support development that provides a balance of jobs and affordable housing within a community.
- Promote sustainable local and regional economies.

No projects will be funded that run counter to these objectives.

Since June 2001, the Board has discussed its investment strategy for the next round of funding. Funding decisions for the 2001-2003 biennium will be guided by the following **two priority goals**:

- **Regional Economic Competitiveness:**

To increase the comparative advantage of key industry clusters (high tech, creative services, nursery products, metals/machinery/transportation equipment, lumber and wood products, and specialty foods/craft beverages), helping to develop emerging clusters, and assisting with making this region a location of choice for existing and emerging industry clusters.

- **Community Economic Development**

To increase the wealth and well-being of distressed and lagging communities and populations and their individual households and businesses.

This document serves as the Regional Investment Plan Update and outlines the Board's identified priorities, their implementation, and evaluation of program performance. Please note that due to changes in the national, state, and regional economies associated with the current recession, Oregon finds itself under severe fiscal stress. The Oregon Legislature will be called into special session to consider a range of alternatives for balancing the budget in the face of declining revenues. Although the Board has not received official notification, it is highly likely that all State programs, including this one, will experience some budget reductions. Consequently, though this plan update expresses the Board's priorities for the next two years, the Board reserves the right to make significant modifications in this plan and its implementation should budget reductions require them.

II. Background:

The 2001 Oregon Legislature made several changes in the program for the 2001-2003 biennium.

Among the most important changes are:

- **Timeline**

All funds must be committed by June 30 of 2004, but funds can be used for projects that extend past that date.

- **Strategy**

The State is urging boards to be strategic. In particular, boards are being encouraged to grant their funds to projects that explicitly advance regional investment plan objectives and address board-adopted intermediate benchmarks. Consequently, the State is suggesting that grants be made all at once only if boards can allocate all funds to strategically important projects.

- **Capital Investment**

The Oregon Economic and Community Development Department was extraordinarily successful in getting access to new sources of funding for infrastructure improvements. Consequently the Department is urging boards to avoid committing relatively scarce regional investment funds to capital investments, especially infrastructure.

- **Benchmarks**

The State has made the reporting process and monitoring of progress according to regionally specified benchmarks a high priority. The ability to sustain this program in future years is absolutely dependent on the ability of all boards to know and show the outcomes of investments.

In addition, the Board received testimony starting at its retreat in July, 2001 that yielded several concrete suggestions for its next round of grants:

- **Focus on Economic Development**

Community economic development within distressed or lagging communities and populations along with regional economic competitiveness outline the scales at which current concerns might best be addressed. Board investments should be targeted to these two scales.

- **Promote the Integration of Efforts**

There is no unified economic development strategy for the region. Further there are important and related efforts for economic development, community development, and workforce development that currently proceed on mostly parallel tracks. Board investments should promote the integration of these efforts.

- **Pay Attention to Capacity Building**

Some parts of the region are very well organized for economic and community development purposes, while others are not. Some industries are very well organized and are pursuing strategies to become more competitive in global markets, while others are not. Board investments should help to fill in the capacity gaps in communities, in coordinated economic development efforts, and within traded sector industries in the region.

- **Business Climate is Increasingly Important**

The region's business climate could be a plus or a minus in the years ahead. Board investments should strengthen understanding of business climate issues and support efforts to improve the business climate in the region.

- **Invest in What Works**

Particularly for initiatives to address needs in distressed or lagging communities, Board investments will be far more productive if they add to proven efforts rather than creating stand-alone, "one off" efforts with few prospects for leveraging systemic change. Board investments should focus on efforts to build on or extend initiatives with demonstrated results, or at a minimum, strong prospects for the importation of demonstrably successful best practices appropriate to area communities.

III. Identified Priorities:

These program changes and themes have combined to yield two priority goals for the work of the Board in the 2001-2003 biennium:

- **Regional Economic Competitiveness:**

To increase the comparative advantage of key industry clusters (high tech, creative services, nursery products, metals/machinery/transportation equipment, lumber and wood products, and specialty

foods/craft beverages), helping to develop emerging clusters, and assisting with making this region a location of choice for existing and emerging industry clusters.

- **Community Economic Development:**

To increase the wealth and well-being of distressed and lagging communities and populations and their individual households and businesses.

In addition, the Multnomah-Washington Regional Investment Board will meet with the Community Solutions Team regarding the Needs and Issues prioritization process for Multnomah and Washington Counties to add to the list of identified priorities to be considered for project funding. When that list is complete the Board will review the list and identify projects which may contribute to assisting with achieving the strategic objectives identified in this plan update and reflected in the Board's intermediate outcomes.

IV. Short-Term, Two-year Priority Activities and Implementation Plan:

To serve these goals, the Board will seek and fund projects that advance the following six priority activities:

Priority Activity #1: Seek development and implementation of economic development strategies.

Priority Activity #2: Enhance the capacity of public and nonprofit economic development organizations in all parts of the region to implement economic development strategies.

Priority Activity #3: Enhance the capacity of traded sector industry associations to act on strategies that make their industries more competitive.

Priority Activity #4: Diversify, grow, and retain employment in the following traded sector industry clusters: high tech, creative services, metals/machinery/transportation equipment, nursery products, specialty foods/craft beverages, and lumber and wood products.

Priority Activity #5: Assist with business formation, retention, and expansion efforts in distressed and lagging communities.

Priority Activity #6: Assist with efforts to meet broadly endorsed community and economic development goals for rural areas.

The overall process outcome sought by the Multnomah-Washington County Regional Investment Program is to **integrate efforts**, particularly between workforce and economic development initiatives, between industry or sectoral projects and broader community and regional development objectives, and between community and regional economic development efforts themselves.

The Board will give higher priority to projects that provide match, promote the integration of efforts, produce measurable results, address community priorities, and which can't go forward without funding uniquely provided by this Board. Multiregional projects must be developed in partnerships with other Regional Investment Boards.

In developing this list, the Board has also become quite clear about what it won't fund:

- **Capital improvements:**

New funds available through the Oregon Economic and Community Development Department provide much better opportunities for funding capital facility improvements. Further, the funds available to the Board are simply inadequate to the task of meeting the capital facility needs of the region in both small and large ways. Although the Board will consider funding feasibility studies, business plans, or other

preconstruction activities that directly relate to the Board's identified priorities, it will not provide funds for actual improvements.

- **Stand-alone or Unproven Community Economic Development Initiatives:**

The extent of the need in distressed and lagging communities far outpaces the scope of the resources available from this source. Consequently, the Board will not provide funding for community economic development initiatives that are not identified in broadly endorsed and implemented community development plans.

- **Investments in Private Businesses:**

This Board sees itself in a catalytic role and seeks to fund efforts that extend the reach of broad-based, public and not-for-profit organizations. The Board does not view its funds as an alternative source for commercial lending or for direct aid to individual businesses.

- **Projects that are in conflict with the Governor's Quality Development Objectives.**

These investment strategies will be put into practice through the use of four separate “requests for proposals” (RFPs) organized by funding category:

1) Regional Economic Competitiveness RFP – to seek projects that will:

- Create explicit linkages between economic and community development efforts;
- Develop a regional economic competitiveness strategy;
- Build the capacity of subregional economic groups to work collaboratively to achieve regional economic development objectives;
- Build the capacity of industry groups to improve intra-industry linkages, producer-supplier linkages, and cluster competitiveness;
- Create new links between cluster industries, local government, and economic and workforce development efforts;
- Market the region to attract investors, talent, and traded sector businesses to the region
- Promote ISO certification and other internationally recognized certifications in traded sector industries
- Promote technology transfer and commercialization

2) Community Economic Development RFP – to seek projects that will:

- Incorporate proven best practices appropriate to area distressed and lagging communities into local community economic development efforts;
- Integrate community and economic development efforts;
- Integrate economic and workforce development efforts targeted at specific community economic development objectives
- Coordinate workforce and economic development efforts
- Provide technical assistance and increase activity of micro lending / revolving loan funds
- Provide training and placement in family-wage jobs
- Create career ladders
- Conduct business district and main street strategic planning and plan implementation
- Promote small business development and entrepreneurship
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3) Multiregional RFP – to seek projects that will:

- link the regional economic competitiveness and community economic development interests of this region with others
- develop strategic initiatives directed at economic geographies of multiregional concern
- develop specific initiatives to link the economy of this region with that of the rest of the metropolitan area and/or the state

- design and implement coordinated marketing directed at making this region and its multiregional partners more competitive for desired economic development

4) Rural Action Plan RFP – to seek projects that will

- address the priorities outlined under the three categories above plus projects that address specific rural development needs outlined in the updated Rural Action Plan (see below).

Public hearings were held on January 29th in Multnomah County and January 31st in Washington County to provide an opportunity for public review of the plan update. The Board will meet following the public hearings to make any needed changes to this plan update prior to submitting it for approval to the Oregon Economic and Community Development Commission at its February 14, 2002, meeting.

Specific deadlines would be set for each RFP in a manner that allows the board to consider each set of proposed projects as a group. Projects could be selected all at once, or a second RFP may be issued should the board not receive sufficient or adequate proposals for the purposes outlined here. Project reviews would begin in late April, with funds allocated to projects with start dates ranging from as early as mid-May to mid-July.

Prior to making final awards, the staff for the Regional Investment Board will meet with the Community Solutions Team to review Board project priorities. The purpose of the review will be to determine whether other resources could be used to support proposed projects and the extent to which proposed projects could benefit from other priority projects identified through the needs and issues process and funded from other sources.

V. Updated 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 seek to serve the same identified priority goals in both rural and urban Community Economic Development, to increase the wealth of distressed and lagging communities and populations and their individual households and businesses. Rural areas are also home to an important set of the region's traded sector industries, which means that projects in rural areas may also address the priorities and goals of Regional Economic Competitiveness.

This Rural Action Plan also recognizes that rural areas represent an important resource for the region in terms of open space/natural resource amenities and farmland. The preservation of these resources, in conjunction with appropriate and sustainable development of these communities creates unique challenges.

In addition to the priority projects outlined under Regional Economic Competitiveness and Community Economic Development, above, the Board has identified additional priority areas through direct contact with rural communities, the counties, rural industry groups, and through utilizing the prioritized needs and issues report developed by the Columbia Pacific Economic Development District for western Washington County. Those additional project areas include:

- Feasibility studies, business plans, or other preconstruction activities required for capital facility improvements critical to economic development that directly relate to the Board's identified priorities, with preference given to projects on the state needs and issues list
- Projects marketing rural areas that are not in conflict with adopted state and local policy
- Projects that help rural industries implement best practices for environmental management
- Projects that incorporate best practices in farm/migrant worker housing and rural healthcare

VI. Evaluation Plan:

The following table outlines the goals, benchmarks, and intermediate outcomes to be used by the Board to evaluate plan performance. Community economic development initiatives will be expected to increase the wealth and well-being of distressed and lagging communities and populations and their individual households and businesses. Regional economic competitiveness initiatives will be expected to contribute to enhanced traded sector industry cluster comparative advantage, increased knowledge creation, and improved regional attractiveness to traded sector industries and resources.

In addition, every project will be required to show evidence of how the effort has contributed to enhanced cooperation and collaboration within industries, communities, and/or the region as a whole. Finally, every applicant will be required to specify the outputs of their proposed project and the ways they expect those outputs to assist the Board with achieving its intermediate outcomes.

Project reporting will occur according to the schedule and in the manner specified by the Oregon Economic and Community Development Department. Reports will be prepared by the fiscal agent for the Board with support and contributions from all Board staff. The Board will review reports regularly to determine whether it is achieving its goals. Insufficient progress towards producing promised project outputs may lead the Board to engage project sponsors in a process for improving project performance, and may result in cancellation of projects should that be warranted. Insufficient progress towards meeting plan intermediate outcomes may result in both plan changes and funding reallocation.

Multnomah-Washington County Regional Investment Plan: Benchmarks, Priority Activities, and Intermediate Outcomes

Priority Goals	Regional Economic Competitiveness: To increase the comparative advantage of key traded sector industry clusters, helping to develop emerging traded sector clusters, and assisting with making this region a location of choice for existing and emerging traded sector industry clusters.			Community Economic Development: To increase the wealth and well-being of distressed and lagging communities and populations and their individual households and businesses.			
Regional Benchmarks	Increase in traded sector employment	Increase in traded sector exports	Increase in traded sector industries patent activity	Decrease in poverty	Increase in median income	Decrease in Unemployment	
Priority Activities and Intermediate Outcomes	Priority Activity #1: Intermediate Outcome #1:	Seek development and implementation of economic development strategies. Increase in # of organizations, governments, and civic associations developing and adopting economic development strategies.					
	Priority Activity #2: Intermediate Outcome #2: Intermediate Outcome #3:	Enhance the capacity of public and nonprofit economic development organizations in all parts of the region to implement economic development strategies. Increase in # of implementation activities. Increase in # of partnerships for implementation of economic development strategies.					
	Priority Activity #3: Intermediate Outcome #4: Intermediate Outcome #5: Intermediate Outcome #6:	Enhance the capacity of traded sector industry associations to act on strategies that make their industries more competitive. Increase in # of implementation activities. Increase in # of industry competitiveness strategies. Increase in # of firms seeking internationally recognized certifications.					
	Priority Activity #4: creative Intermediate Outcome #7: Intermediate Outcome #8: jobs.	Diversify, grow, and retain employment in the following traded sector industry clusters: high tech, services, metals/machinery/transportation equipment, nursery products, specialty foods/craft beverages, and lumber and wood products. Increase in # of traded sector jobs. Increase in # of people from distressed and lagging communities placed and retained in traded sector jobs.					
	Priority Activity #5: Intermediate Outcome #9: Intermediate Outcome #10:	Assist with business formation, retention, and expansion efforts in distressed and lagging communities. Increase in # of businesses in these communities formed, retained, and expanded. Increase in # of businesses served by microlending and revolving loan fund programs.					
	Priority Activity #6: Intermediate Outcome #11:	Assist with efforts to meet broadly endorsed community and economic development goals for rural areas. Increase in # of implementation activities on behalf of broadly endorsed community and economic development goals.					
	Overall Process Outcome	Increase in regional and community-level integration of efforts, as evidenced by joint adoption of products, joint commitments for implementation, multisectoral initiatives, joint sponsorships, and other activities crossing organizational and sectoral boundaries.					
	Outputs	Results from projects that can be aggregated to intermediate outcomes.					