

Metropolitan Economic Policy Task Force (MEPTF)

Meeting Summary

February 11, 2003

Portland State University

Smith Memorial Student Union, Cascade Room 234/6

Chair Rob Drake convened the meeting at 6.30 pm.

The following MEPTF members attended: David Bragdon, John Castles, Bill Christopherson (substituting for Jesus "Jess" Carreon), Rob Drake, Erik Hovee, Ron Johnson, Kim Kimbrough, Kathy Long Holland, Don Mazziotti, Diane Vines, Rick Willams.

Not attending: Steve Clark, Michael Jordan, Vera Katz, Craig Pridemore, Maria Rojo de Steffey, Carl Talton, Bob Terry, Jose Tornero, William Wyatt.

Introductions

Chairman Drake welcomed task force members and the audience to the fourth meeting of the Metropolitan Economic Policy Task Force. Following short introductions, Ethan Seltzer, Director of the Institute of Portland Metropolitan Studies noted that the Task Force is on schedule to finish its work by June 2003. He then introduced the presenters.

Presentations

Sheila Martin, State of Washington

Governor Gary Locke's Executive Policy Advisor, Economic Development Issues

Martin presented the Task Force with an overview of economic trends in the State of Washington. Like Oregon, Washington experienced rapid growth in population and jobs over the last decade and the development has been unevenly distributed favoring urban areas. Martin outlined the strengths her state has, which are strong research institutions, a high tech presence, an educated workforce, a good urban telecommunications infrastructure, local sources of capital, a leading digital government, and high quality of life.

She then introduced the Task Force members to five statewide strategic efforts for economic development (One Washington Strategy, Statewide Strategic Plan for Economic Vitality, Strategy for the Innovation Economy, Entrepreneurship Strategy, Competitiveness Strategy). One Washington Strategy is focused on making rural areas in the state more attractive to business development and tourism. The statewide Strategic Plan focuses on broad areas in which state government plays a lead role (education and training, basic research, physical infrastructure, quality of life, public health and safety, and business climate) and on areas in which the state plays a supporting role (workforce development, balanced statewide prosperity, international trade assistance, telecommunications, housing, and energy). Martin pointed out that the statewide strategic plan, however, lacked an institutional structure for implementation. The Strategy for the Innovation Economy focuses on factors that help grow knowledge-based industries and the Entrepreneurship Strategy identified the necessary ingredients for new firm creation. Martin explained the institutions that are set up for economic development. These are the Competitiveness Council (comprised of public and private leaders), the Joint Economic Vitality Cabinet, and the newly created Economic Development Commission.

She then focused on the linkages between Washington and Oregon and their implications for the Portland-Vancouver metropolitan region. She stated that the two states experience many interdependencies such as a common labor market, transportation links, and formal and informal business ties. She noted that Oregon and Washington face similar economic and planning challenges and that the metropolitan region is the unit of strategy and competition, not the states. She argued that the entire region would benefit from a regional economic development strategy and that the region needs to consider its unique assets as a whole. She also

mentioned that planners need to be sensitive to issues related to the job-housing balance on both sides of the border.

Taskforce members then had the opportunity to ask questions. Don Maziotti was interested in the ways in which state government is working on regional issues in Vancouver and whether there were any efforts related to business recruitment and retention. Martin mentioned that State government has regular meetings with the Vancouver High Tech Council and that business recruitment and retention efforts are minimal due to the lack of resources.

Rob Drake wanted to know what specifically State government does regarding the Puget Sound region. Martin mentioned that there are small efforts underway to help develop emerging industries such as bioinformatics and software applications to wireless telecommunication.

Eric Hovee pointed out that the Pacific Northwest is home to corporate leaders such as Microsoft and Nike and that the broader region ought to market and brand itself better. Martin agreed but said that the recent loss of Boeing's headquarters might dampen this perception.

John Castles was interested in the economic impact of nonprofit organizations and in the ways in which philanthropic efforts contribute to economic development. Martin cited a recent report to the Legislature regarding the economic impact of nonprofits. She also mentioned philanthropic involvement by foundations such as Vulcan Ventures in local development efforts.

Ron Johnson observed that Washington efforts are mainly focused on the state as a whole rather than on regions. Martin said that there are local and regional efforts underway by various organizations. She also mentioned that the Greater Seattle Chamber of Commerce brought the issue of regional economic development up, but that it has not been followed up.

Kathy Long Holland was interested in hearing Martin's perspectives on the region's unique assets. Martin said that in the technology arena, emerging industries created by two fields would be promising. She also said that the natural environment and the high quality of life are strong assets.

Marty Brantley, Director, Oregon Economic and Community Development Department
Sherry Sheng, Deputy Directory, Oregon Economic and community Development Department

Brantley focused on the general economic trends in Oregon and emphasized that the state's unemployment and hunger rates are among the highest in the U.S. He explained that the state's dependence on manufacturing is a major reason for the high unemployment rates. Focusing on demographic trends, he cautioned that population growth in the next years will be muted and that the population older than 65 will significantly increase.

He then explained to the Task Force the areas of focus of the Oregon Economic Development Department (OECD). The Department was reorganized to include community development in order to help rural and distressed communities. He said that 80 percent of OECD's budget is dedicated to community development efforts. Approximately 20 percent of the budget is dedicated to business development efforts. Brantley highlighted the advantages of focusing on community development and argued that this emphasis created a communication infrastructure that informs government from the bottom up. In the future, this infrastructure will be maintained and community development efforts will most likely be reoriented towards job creation and economic development.

He outlined the priorities for the Task Force. The first area is availability of industrial lands. He explained that policymakers are currently focusing on alternative ways such as converting old mill sites for industrial use. The second area is permitting and regulations. The third priority area is business recruitment, retention and expansion. Here, Brantley argued, international trade will play an important role. He cited the deepening of the Columbia River channel and tourism as examples.

David Bragdon asked about the ways in which OECD coordinates with other state government agencies and whether the Department can influence decisions about transportation funding for example. Brantley stated that coordination can be improved and that they are currently working on creating these kinds of relationships. He stated that job creation is the highest priority for state government at the moment.

Eric Hovee mentioned that in the past there have been a variety of strategic economic development efforts and he was wondering which direction state government would go in the future. Brantley said that this will depend on the Governor's priorities. Sheng added that in the past these efforts have changed and that they are currently considering using industry cluster theory and apply it to other areas in Oregon.

Rick Williams asked both presenters in what ways state and regional economic development strategies would have a sustained life and how such an efforts would be successful in going beyond benchmarking efforts. Martin said that there needs to be committed individuals and that efforts need to resist the temptation to change in bad economic times.

Ethan Seltzer asked both presenters what a potential regional economic development strategy should tell them and what the region could expect from the states in return. Brantley said that regions need to identify their historical strengths and that they need to develop a strong business plan on which they can base their requests for help from the State on. Martin concurred with Brantley and said that the State is not interested in imposing a vision on the regions. She added that it would be helpful to know the region's priorities because this will aid policymakers in making funding decisions. Brantley emphasized that the evaluations component, in particular how many jobs are created, is important.

Next Steps

Seltzer reiterated that this meeting was the last of three briefings scheduled for the Task Force. The work of the group would now be "kicked up a notch" as attention turns from background information to developing a list of principles to serve as a foundation for focusing a regional strategy. Draft principles will be presented to the Task Force prior to their next meeting in March. Upon adoption of the principles, the Task Force will then turn to implementation: who should be charged with developing a regional strategy and ensuring that it gets acted on.

Again, the final report of the Task Force will be adopted at its June meeting, thereby concluding the work of the group. Consequently, the Task Force currently will conclude its work in four more meetings. Task Force members are asked to make attendance at all of the next four meetings a priority. With good participation, a good product can be expected from this process.

Next Meeting

All MEPTF meetings will take place on the second Tuesday of each month. The next meeting is scheduled for Tuesday, March 11, 6.30 pm to 9 pm, in Portland State University's Smith Memorial Student Union, Room 234/6.

Public Comment

Chairman Drake gave the audience the opportunity to make public comment. No public comment was received.

Chairman Drake closed the meeting at 9 pm.