



2011 PROGRESS REPORT

PORTLAND AT WORK

It all comes down to jobs. Good jobs. And supporting the firms that create them.

We must fix the fundamental flaws in Portland's boom-bust economy, and work towards a place of true long-lasting economic resilience. We cannot simply focus on pulling out of this recession, and improving this month's employment statistics. We must think bigger, and work harder.

While we have much, much more work to do, the early results of this long-term work are promising.

In my annual tradition of reporting to you, my bosses, this is the first of seven year-in-review progress reports. Click around and please feel free to [reply with your comments](#) and questions.

Over the past three years, with scrappy perseverance we increased investments to those hit hardest hit by the recession by rebooting two government agencies to make more out of our housing and job creation efforts. You can read about that work in [2009](#) and [2010](#) in our past reports.

Despite the worst national recession and the slowest economic recovery in a generation, we've saved or gained an estimated 5,200¹ jobs since July 2009. Based on our [Economic Development Strategy](#), our City's first such strategy in 15 years, we offered [hands-on](#) help to 450 businesses large and small.

In the past year, we worked hard to implement our strategy:

- Despite a sour economic climate, we are taking bold steps to make sure Portland is wired for success in the 21st century by investing in [next generation businesses and technology](#). For example, [The Portland Seed Fund](#) is a City-sponsored startup incubator that successfully raised more than \$2.1 million from public and private sources to support new companies in Portland this year.

- [We have increased our commitment to neighborhoods that need it the most](#) - NE 42nd Avenue; Cully Boulevard; Parkrose; Rosewood; Midway; and SE 82nd Avenue. In the Portland Plan, the creation of a "healthy, prosperous and equitable" city for all Portlanders is a priority. We are boosting neighborhood business growth, providing economic development

opportunities, and improving community-wide prosperity for targeted communities.

- [Recruiting and retaining businesses has been a strong focus for us](#). This year Portland successfully recruited [SoloPower](#), an innovator of thin-film photovoltaic cells and modules, that is investing up to \$340 million to construct new production facilities in North Portland. SoloPower estimates that it will employ at least 140 people in the short term, and up to 400 people in full time positions when all phases of the solar facilities are built out.

We're positioning greater Portland to not only recover, but to emerge from this recession an even stronger city. A more resilient city. A small-and-scrappy, globally competitive city. A Portland that is the city of cutting-edge innovation. And a city that offers all of its citizens the most equal of economic opportunities.

I want to thank the [Portland Development Commission](#), [Travel Portland](#), [Portland Business Alliance](#), [Venture Portland](#), [Portland State University](#), [Portland Community College](#), [Worksystems Inc.](#) and all the hard-working business owners and workers who made this all possible.

WEB VERSION WITH LIVE LINKS:

Economic Development in 2011
<http://bit.ly/rHTTYb>

¹ Source: Multnomah County Total Non-Farm Employment. July 2009 - Sept. 2011 Oregon Employment Report.

"[Mayor Adams] has made creating jobs in Portland a cornerstone of his administration, and I am pleased to report that we are doing our part."

James McDougall, CEO ReVolt Headquarters Ribbon Cutting,
September 27, 2011

"The Main Street program is genius because the vision is developed by the community. The PDC has given us additional technical services that a small non-profit would never afford themselves."

Holly Heidebrecht, St. Johns Main Street Manager on July 2011

"What's magic about Portland? We have an incredible pool of technical talent, but more importantly we do community incredibly well. Thank you for your help and support."

Brian Jacobson, IBM at July 2011 City Council Adoption of
Portland Economic Development Strategy

"We are committed to Oregon because of the great people and workforce; the active support and engagement at the state level and from the communities."

Tim Harris, SoloPower CEO at May 2011 Announcement of
Headquarters Opening

"Great things have happened and more great things can happen, and communities really need this help."

Nick Sauvie, Rose Community Development Corporation, at the
May 2011 Council adoption of the N.E.D. Strategy

"This strategy says that people matter."

Rey Espana, Native American Youth and Family Center, at the
May 2011 Council adoption of the N.E.D. Strategy

"I applaud the City's efforts to bring much needed technical and financial resources to support the local economy in these historically underserved neighborhoods...I believe it's a big deal."

Chair Jeff Cogen, at Oct 2011 Neighborhood Economic Plan
Announcement

A Picture of Growth

Snapshots of local businesses bolstered by the City showcase how smart investments bring big returns. In the following examples from this year, it's clear that our dynamic approach can fit a variety of situations.

SoloPower



ABOVE: SoloPower CEO Tim Harris and Mayor Sam Adams after announcing Solopower's decision to develop a high volume thin-film solar panel manufacturing headquarters in Portland.

Another significant strategy we employ is business recruitment. Oregon and Portland continue to cement their reputations as a home for clean technology businesses. This year Portland successfully recruited [SoloPower](#), an innovator of thin-film photovoltaic cells and modules, that is investing up to \$340 million to construct new production facilities in North Portland. Portland backed this company with a \$5 million loan guarantee. SoloPower estimates that it will employ at least 140 people in the short term, and up to 400 people in full time positions when all phases of the solar facilities are built out. Portland's support for SoloPower leveraged a commitment from the U.S. Department of Energy for a \$197 million loan guarantee and a loan from the Oregon Department of Energy for \$20 million.

Showers Pass

Retaining businesses is an important part of the City's approach. Take [Showers Pass](#), a local company, named after a road in the remote mountains of Northwest California. Showers Pass makes technically engineered cycling gear for racers, commuters, messengers, and everyday cycling enthusiasts and has seen consistent growth since being acquired by its current owners in 2005. After outgrowing a small space in SE Portland, Showers Pass approached PDC for assistance. PDC

helped Showers Pass locate new space and finance improvements necessary for their move into a space in Portland's Central Eastside Industrial District. To help promote its business, Showers Pass also took advantage of PDC's Storefront Improvement Program, which is a matching grant for signage and façade upgrades. PDC's assistance to Showers Pass resulted in leveraging \$430,000 in private investment and kept Showers Pass in Portland. With the expansion, Showers Pass added two local jobs, for a total workforce of nine.

Salt and Straw

Sometimes it starts small and tastes good—like pear with blue cheese, honey balsamic strawberry with cracked pepper, and lemon basil. Kim Malek, a Portlander with over twenty years of retail marketing and management experience, has a way with flavor. Someone with this level of creativity had to follow her dream of opening her own ice cream business. That's how [Salt and Straw](#), which sells hand-made artisanal ice cream in NE Portland, was born. Salt and Straw plans to expand, eventually wholesaling to corporate headquarters, college campuses, pizzerias, and upscale grocery stores. Because Salt and Straw uses local, sustainable, and organic ingredients, it helps other businesses around town. The City and the Portland Development Commission (PDC) assisted Salt and Straw with a working capital loan to finance necessary equipment. This investment leveraged \$181,000 in private investment and resulted in the renovation of a dilapidated property on NE Alberta Street and the creation of five local jobs.

The Story of Clusters

Part of our economic plan is to focus efforts on business sectors that we call “[clusters](#).” Using a cluster approach allows us to deploy limited resources in a strategic and catalytic fashion. The chosen clusters—clean technology, athletic and outdoor, software, advanced manufacturing and research and commercialization—are areas that already have a foothold in the City and are primed for growth. The goal is to create self-sustaining momentum within clusters so that jobs and opportunity flow.

Here's how some of our cluster firms fared this year:

Clean Technology

The City and PDC worked with [Lucid Energy](#), a provider of renewable energy systems, and introduced them to potential manufacturing suppliers in the region. The Portland Water Bureau has also agreed to use Lucid Energy's patented LucidPipe on a new hydropower system.

Athletic & Outdoor

The City and PDC helped recruit [Garmont](#), an international leader in the outdoor footwear market. Garmont moved their North American headquarters from Vermont to Portland in October of 2011, and will add ten additional staff.

Software

The City and PDC helped to recruit the [Drupal Association](#) to Portland from New York City. Drupal, an open source content management system, will initially employ five to six staff people.

Advanced Manufacturing

The City and PDC's work to support the advanced manufacturing cluster included the recruitment of [ReVolt Technology](#), a battery technology business. ReVolt opened its headquarters office and R&D facility in Portland in September 2011, and currently has 18 employees. A total of 50 jobs are projected by the end of 2012.

Research & Commercialization

PDC has taken the lead in developing a strategy to support innovation across Portland's industries by performing research on commercialization best practices. Commercialization is the process that converts ideas, research, or prototypes into viable products. We will announce the findings of this research to the public soon—stay tuned for more information on this cluster.

In the Neighborhood: Meet NED

In May 2011, the Portland City Council adopted the City's first [Neighborhood Economic Development Strategy](#) (NED). This plan works by connecting people to living-wage jobs, supporting neighborhood business growth, and growing vibrant commercial areas. PDC kicked off an array of NED programs this fall, such as the Neighborhood Prosperity Initiative,

the Small Business Development Program, and the ongoing Portland Main Street Program.

Here's a little more about each:

Neighborhood Prosperity Initiative

The [Neighborhood Prosperity Initiative](#) (NPI) implements key objectives outlined in the [Portland Plan](#), the City's strategy for a more prosperous, healthy, equitable Portland. The NPI focuses investments in priority neighborhoods to boost neighborhood business growth, provide economic development opportunities and improve community-wide prosperity. Six neighborhood business districts have been nominated. To support the districts in assessing their interest and readiness to participate in the Neighborhood Prosperity Initiative, each area has been awarded a \$10,000 Community Building and Planning Grant. Districts are actively organizing and planning activities to stimulate economic development. In July 2012 those districts that are ready for the NPI will begin actively managing their district and implementing projects. Much like the City's Main Street Program, the Neighborhood Prosperity Initiative will provide technical assistance and seed funding to assist areas in reaching their goals.

Neighborhood Economic Development/Small Business Technical Assistance

The [Small Business Technical Assistance program](#) is a new initiative of the City and PDC that aims to grow and strengthen existing small businesses. Five non-profit organizations will deliver technical assistance and training to approximately 155 businesses over the course of the next year. Another 80 businesses will also receive legal services.

Main Street Program

Portland Main Street Program is a neighborhood commercial district revitalization program based on the very successful [Main Street® approach](#) used in towns and cities across America. The [Portland Main Street Program](#) has three districts: Alberta, St. Johns, and Hillside. Each district hired a full-time executive director, successfully recruited volunteers who donated more than 6,000 volunteer hours in total, and opened offices within each of the respective districts. Districts raised approximately \$150,000 in additional private funding for operation and administration of the Main Street Program.

Aggressively Courting the Future

Thinking ahead and taking risks are the roads to not only recovery, but to a place where we can thrive.

Here's our approach:

Supporting Startups

The City and PDC recently hosted the Oregon Startup Summit. And we also partnered with the Software Association of Oregon and the Oregon Entrepreneurs Network on the first Startup:PDX networking event, which attracted over 100 people to celebrate entrepreneurship in Portland. The [State of Entrepreneurship](#) in Portland report was published in October, along with a corresponding scorecard to track Portland's entrepreneurship economy.

Oregon Sustainability Center



In September, the City Council authorized the City to enter into agreements related to the design and development of a cutting-edge building called the [Oregon Sustainability Center](#). The Center is intended to serve as an investment in Oregon's economy, building on our clean-technology expertise and giving local firms involved in green building a competitive advantage in the global market.

Convention Plaza

In October, the Portland Development Commission and Beam Development partnered to rebuild the Convention Plaza building at the [Burnside Bridgehead site](#). This site will be renovated for use as commercial flex-office space with a focus on employment, and in particular providing space for City's target industry clusters and high growth firms. The building is contemplated to be the physical manifestation of our strategy on software—by co-locating related cluster firms in the same

space, we hope to catalyze innovation across companies and disciplines.

[The Portland Seed Fund](#)

This City-sponsored startup incubator successfully raised more than \$2.1 million from public and private sources to support new companies in Portland in 2011. The Seed Fund evaluated 128 applications to pick its first class of eight local startups. Across the eight companies, 28 jobs have been created within the Portland region. The Seed Fund is already preparing to sign up its next class - application are due in January.

[Entrepreneurship District](#)

The [Central Eastside Urban Renewal Area](#) (CES) is positioning itself as a place to incubate and grow target industry and high-growth jobs. The City and PDC are working with a Project Advisory Committee

and a marketing firm to develop a strategy to position the CES as Portland's entrepreneurial district. The positioning work is underway, with the brand platform defined and a Communication Strategy and Positioning Roadmap to be completed by January. The entrepreneurial district will be unveiled in early 2012.

[Jobs and Innovation Accelerator Challenge Grant](#)

Portland has been selected as one of twenty regions to receive a [Job and Innovation Accelerator Challenge](#) grant from Economic Development Administration, a U.S. Department of Commerce agency that partners communities to foster job creation, collaboration, and innovation. The grant is intended to advance high-growth, regional industry clusters. For Portland, the grant will be used for advancing Portland's clean tech industry.