



## NEWS RELEASE

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For more information, contact:  
Sandra McDonough or Duke Shepard  
Portland Business Alliance  
503-224-8684

### **Regional business plan calls for greater cooperation, action**

(Portland, OR) - Business and government leaders in the greater Portland area need to pull together as a region and address critical needs if they expect to compete in the global marketplace of the future, according to a new business plan to be unveiled Monday.

The area's first Regional Business Plan, an outgrowth of the Oregon Business Plan, will be presented Monday to business and government leaders at a breakfast kicking off the day-long Oregon Business Summit. Modeled after the Oregon Business Plan, the Regional Business Plan was designed to establish a business-driven vision of the region's economy and develop a set of initiatives to pursue.

The plan was developed by a steering committee made up of a diverse group of business leaders who conducted a year of regional forums, executive interviews and data analysis. The committee is made up of CEOs, directors of economic interest groups and others from Multnomah, Washington, Clackamas and Clark counties.

"Regions are the building blocks of the new global economy," said Mark Dodson, President and CEO of Northwest Natural and chairman of the steering committee. "Metropolitan areas around the world want what we want, and are competing hard to get it. It's time for our region's public and private leaders to pull together and deliberately build an economy that will prosper in the face of this growing competition."

The plan emphasizes the importance of regional cooperation, identifies core values, highlights business clusters to nurture and develop, and outlines recommendations in four key areas.

#### **Core Values**

Four core values are key to the region's economy: sustainability, innovation, openness and individualism.

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“The steering committee concluded that the beliefs and behaviors of the metro area’s citizens differ in many respects from those of other Americans, and it is this unique set of beliefs that contribute to our core strengths,” Dodson said. “The primary focus of the plan is to build upon those strengths, so that we capitalize on those differences to achieve sustainability, develop innovative ideas, welcome newcomers and promote prosperity. Our vision is to do each of these things well in order to have an economy that competes at the high end of the global marketplace by being a leader in a number of traded-sector industry clusters.”

### **Focus on the Traded Sector**

Mirroring the Oregon Business Plan, the plan focuses on retaining and growing the region’s “traded sector” -- those businesses that sell their goods and services to customers outside the region.

“In any economy, it is growth in the traded sector that ultimately drives economic vitality in the region as a whole,” said economist Joe Cortright, who acted as an economic consultant in the development of the regional plan.

Strategies to grow the traded sector should focus on industry clusters that are established or most likely to succeed in the region.

“Strategy isn’t about simply being efficient or cheap; it’s about making choices. Businesses and regions have to choose those areas in which they are going to be exceptional and and develop strategies to differentiate themselves globally in those areas,” Cortright said. Established clusters which need continuing focused support include high technology; metals, machinery and transportation equipment; apparel and sporting goods; creative services; food processing; forest products; nursery products; and distribution and logistics. A key strength of the Portland/Vancouver region is the breadth of its innovative traded-sector industry clusters, Cortright said.

The plan also identifies emerging clusters, which may play a critical role in the economy’s future and need to be nurtured, including open source technology, nanotechnology, sustainability and health care.

### **Key initiatives**

The steering committee appointed four task forces to develop initiatives addressing the top concerns facing the region’s economy: education and workforce development, freight mobility, land use and cluster competitiveness.

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**Education:** Most private and public sector leaders interviewed for the plan identified education and workforce development as the region's top priority. This task force recommended support for existing K-12 reform and school funding efforts, improved linkages between K-12 and higher education, greater coordination of business-school partnerships, more teacher internships and more traded-sector research and commercialization capacity at the region's higher education institutions.

**Freight mobility:** Failure to invest in needed transportation improvements could result in losses of 6,500 jobs and \$844 million each year by 2025, according to a study quoted in the plan. At the same time, investments in the transportation infrastructure generate a return of \$2 for every dollar spent. This task force recommended creation of a private-sector Freight Mobility Coalition to advocate for transportation projects that improve business competitiveness.

**Land Use:** This task force raised concerns about the lack of available land for business development in Oregon, and processes that are not conducive to attracting traded-sector businesses whose location decisions are made on compressed timelines. It recommended several policy changes, including creation of a 50-year supply of urban and rural land reserves for use when the market justifies, and procedural changes related to urban growth boundary decisions. More immediately, the plan recommends the region certify 100 sites larger than five acres which are "shovel ready" by December 2007.

**Economic development/cluster competitiveness:** This task force recommended creation of a privately funded and privately led regional economic development entity dedicated to traded-sector marketing and recruitment, in collaboration with the region's public economic development agencies. Efforts would be focused on traded-sector businesses, including growth and retention of existing businesses in the region, as well as recruitment of new ones. An aggressive marketing campaign is needed to overcome the region's perception as being unfriendly to business, the task force said. The group also recommended supporting Oregon Investment Fund initiatives to bring additional venture capital to the region, and pursuing federal funding that supports targeted cluster development.

The steering committee plans to publish a report at the end of 2006 on progress toward implementing each of the initiatives. It also will begin working on the next phase of the Regional Business Plan, focused on initiatives in regional branding, access to capital, regulation, taxes and fees, and regional cluster-based innovation strategies.

For more information, please go to [www.regionalbusinessplan.com](http://www.regionalbusinessplan.com). This site will go live by close of business on Thursday, January 5, 2006.