

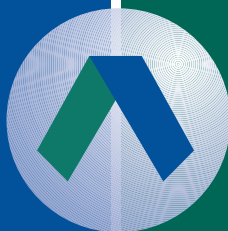
Message from the President

Last year was a great year for the Portland Business Alliance. We grew by leaps and bounds in the number of members, events and achievements. Through our networking events, educational forums, work with city, state and federal partners, and downtown services, businesses received more benefits as an Alliance member than ever before.

This year's annual review highlights the Alliance's progress and accomplishments from June 2005 to July 2006 for the Alliance's five program areas: Membership, Events, Downtown Services, Government Relations & Economic Development and Communications. For more information about the Alliance and the benefits of membership, visit our web site at www.portlandalliance.com or call 503.224.8684. Thank you for your support in keeping Portland a great place to work and live.

Sandra McDonough
President and CEO

Greater Portland's
Chamber of Commerce



**PORTLAND BUSINESS
ALLIANCE**

Leading the way

» Government Relations & Economic Development

Effective government relations and economic development work remain a primary focus of the Alliance. As the region's largest business organization, the Alliance frequently is called upon to act as the voice of business in public forums. The Alliance leadership takes this role seriously: Positions are carefully vetted by committees made up of a diverse cross section of members, and major policy actions are forwarded to the Board of Directors for approval. The result is a targeted advocacy effort designed to serve all members.

During this past year, we worked on several policy initiatives. Among the major ones were:

- **Development of the first Regional Business Plan.** Modeled after the successful Oregon Business Plan, this document defines the policy initiatives necessary to build a strong economy in the Portland/Vancouver region. The Alliance spearheaded development of this plan, working with 16 business associations across the region, as well as several representatives of local government. The plan is available at www.regionalbusinessplan.com.
- **Tax policy.** The Alliance continued efforts to seek relief, particularly for small business, from the City's Business License Fee and Multnomah County's Business Income Tax. A major milestone occurred in early 2006, when Mayor Tom Potter said he would consider ways to assist small business. We expect a proposal to be presented in 2006.
- **Education funding.** The Alliance worked with Mayor Tom Potter and Portland City Council, the Multnomah County Commission and local school leaders to devise a short-term funding plan to stabilize Multnomah County schools for the 2006-2007 school year. The Alliance also worked with legislative leadership on a special session school funding package that assisted districts throughout the state.



The Alliance partnered with area chambers and other business organizations to create the Regional Business Plan.

- **Small business advocacy.** The Alliance continued efforts to implement the Small Business Prosperity Program. A major focus has been the effort to increase the voice of small business in the community by placing representatives on local boards and commissions and before public bodies.
- **Cost of Congestion Study.** The Alliance joined with the Port of Portland and Metro to author the Cost of Congestion Study that, for the first time, quantified the economic impact of traffic congestion. The study found that the region could lose \$844 million annually by 2020 if the rate of congestion growth is not slowed. This study will serve as the basis for the Alliance's future work in addressing freight mobility and other transportation issues.
- **Washington, D.C. trip.** In May, more than 30 business and government leaders traveled to Washington D.C., in a trip organized by the Alliance. They met with congressional and administration leaders to discuss issues related to technology development, international trade, taxation, transportation, education, homeland security and more. ●

Alliance achievements

- Welcomed 300 new members to the Alliance.
- Hosted the largest annual meeting in the history of the Alliance.
- Welcomed 6,930 members at 156 events during the year.
- Placed 10 small business representatives on boards and commissions, or in forums before public policy leaders.
- Successfully worked with school leaders, the City of Portland, Multnomah County and legislative leaders on education funding solutions.
- Launched the first Regional Business Plan with regional chambers and business organizations.
- Met with congressional and administration leaders during the annual Washington, D.C. leadership trip.
- Completed the Cost of Congestion Study in cooperation with Port of Portland and Metro.
- Put 59 individuals to work through the Downtown Clean & Safe homeless-to-work program.
- On behalf of PDSI and downtown property owners, contributed to the reduction of crime downtown by 20 percent through increased funding and security presence.
- Built the Downtown Security Network, to improve communications among all parties involved in keeping downtown safe.
- Worked with city leaders on continuation of the drug- and prostitution-free zones.
- Aided Katrina refugees by coordinating business response and raising funds.
- Graduated 35 emerging business leaders from the Leadership Portland program in June.
- Won WACE Best Web Site Award for chambers with more than 1,000 members.

2005/06 Executive Committee

Scott Andrews, *Chair*
 Judy Peppler, *Chair Elect*
 Mark S. Dodson, *Chair Emeritus*
 Samuel Brooks, *Treasurer*
 Mark B. Ganz, *Secretary*
 Gregory Goodman, *Vice Chair, Downtown Services*
 Steven J. Holwerda, *Vice Chair, Membership*
 Michael T. Winslow, *Vice Chair, Economic Development*
 Brad Hutton, *Vice Chair, Marketing*
 Robert D. Van Brocklin, *Vice Chair, Government Relations*
 Calvin Collins, *Member, Manufacturing*
 Jackie Babicky-Peterson, *Member, Small Business*
 James B. Jeddeloh, *Member*
 Alan V. Johnson, *Member*
 Sandra McDonough, *President and CEO*

2005/06 Board Members

Ronald H. Beltz	Harvey Platt
Gary Cardwell	Michael Powell
Carol A. Dillin	Lisa Prentice
Sho Dozono	John W. Russell
Julia Brim-Edwards	Ronald L. Saxton
Richard Harris	Terry L. Smith
Curt L. Henninger	Russell T. Spencer
J. Clayton Hering	Steven D. Stadum
Roger W. Hinshaw	Marty Stewart
Eric H. I. Hoffman	Patrick F. Stickel
Trond Ingvaldsen	Malia H. Wasson
J.E. Isaac	Charles A. Wilhoite
Monica M. Isbell	Jeanine Wright
Charles P.	Mark Zertanna
"Chuck" Jones	Ex-Officio
Philip A. Kalberer	Dwight Adkins
Wayne Kingsley	Daniel O. Bernstine
Donald L. Krahmer Jr.	Joe D'Alessandro
Eva Kripalani	Preston Pulliams
Scott Langley	Bruce Warner
Wes Lawrence	Bill Wyatt
Andrew N. MacRitchie	Consul Fernando
Chris Mongrain	Sanchez Ugarte
Marc Murfitt	
Matt Nickerson	

2006 Leadership Portland graduates

Richard K. Aizawa	Traci Manning
Tina Alexander	Geraldene Moyle
Kregg Arntson	Michael P. Murphy
Thomas Beverly	Derrell Ness
John Stewart Branam	Gareth Nevitt
Chandra Brown	Susan Nguyen
Joseph Durr	Charles Paternoster
Christopher D. Erickson	Mary Ransome
Liz Erickson	Amanda Richardson
Jeffery Foley	Joseph Ross
Barbara Anne Fox	Thomas Sprott
Carol Frye	Barbara VanAmerongen
Jeffrey Garrett	Laura Van Daal
Patty Goffe	John Wagner
Kelly S. Hossaini	Michelle Weisenbach
Brian Hunt	Patricia Welch
Thomas R. Johnson, Jr.	Lisa Wiebe
Joshua A. Logan	

» Membership Services

Approximately 1,300 businesses from the Portland metro region are part of the Alliance. With 300 new members this year, the Alliance added many diverse and unique local businesses to the Alliance community. These members come from every business sector, ranging from utilities and finance to marketing and non-profits. Nearly 80 percent of our members are small businesses, with more than 60 percent employing fewer than 25 employees.



Sandy Kalleck from Commerce Bank of Oregon and David Bacon from Waddell & Reed network at Business After Hours.

This year the Alliance continued its focus on small business members, hosting a number of events and educational opportunities targeting small business owners' needs and goals. Small businesses also increased their exposure by taking advantage of our many cost-effective sponsorship and advertising opportunities.

Members benefited from our expanded affinity programs. The Alliance worked with Office Depot to offer discounted office supplies, and with Wellpartner, to provide savings on prescription medications. Members also saved with our valuable member-to-member discounts.

Leadership Portland, our comprehensive leadership development program, received a record number of applications for the class of 2006. Leadership Portland was created by the Alliance to provide individuals from its member firms with the skills and understanding necessary to become future leaders of companies, civic organizations and cities in the Portland region. This program gives participants an understanding of how the community works and issues that challenge the region's economic growth and stability. In June 2006, 35 emerging business leaders graduated from the Leadership Portland program. ●



Leadership Portland Class of 2006.

Photo by anorthlightphoto.com

» Events



Photo by anorthlightphoto.com

Golf pro Bruce Devlin (center) helped the Pacific Power team (Anita Decker, Chad Paulson, Doug Stuver and Pam Treece) with their golf swing at the 2006 Chair's Cup.

The Alliance's many events provide members opportunities to lead, learn and network. The events were a huge success this year, with higher attendance, many excellent speakers and exciting topics.

The Business Leadership Evening in November was a sell-out, with more than 500 guests. At this event, the Alliance honored Fred Stickel, Publisher of *The Oregonian*, with the 2005 William S. Naito Outstanding Service Award. The Alliance presents the award each year to a business leader who has shown exceptional leadership and service to the Alliance and to the community. Featured speakers were Robert Gregg, Executive Vice President for FEI Company and a board member of the Oregon Historical Society, and Thomas Vaughan, Oregon Historian Laureate, who spoke about the Lewis and Clark Expedition and the Portland region's economic history.

The Alliance Annual Meeting in May was the largest ever, attracting more than 1,100 business leaders. At the meeting, 10 local businesses were recognized with the Top Ten Growth Awards for their contribution to the region's economic

growth. The awards, presented each year by *Oregon Business* magazine, go to three large companies, three medium companies and four small companies who have increased their revenue and number of employees in the past year. Bill Keller, executive editor of *The New York Times*, was well received as the keynote speaker at the event.

Both the Golf Scramble in September and the Chair's Cup tournament in June were huge successes, with all player spots filled. Retired golf pro Bruce Devlin, winner of eight PGA tournaments, treated Chair's Cup golfers to an instructional golf clinic.

Attendance at the Alliance's networking events grew with more small business members taking part in the Business Leads Exchange and Shop Talk Showcase events. Small and mid-sized businesses also found value in the new Cornerstones for Success series, which featured educational topics relevant to executives. We also partnered with several of our members to co-host Business After Hours in a variety of fun and unique locations this year, including the Treasury Ballroom, Jupiter Hotel and PGE Park. ●

2005 William S. Naito Outstanding Service Award

Fred Stickel

2006 Top Ten Growth Award Winners

Large businesses

Randstad USA
Clarity Visual Systems, Inc.
Walsh Construction

Medium businesses

GBD Architects
Pacific Lifestyle Homes
Lucy Activewear

Small businesses

Aequitas Capital Management
Jupiter Hotel
Coldstream Capital Management, Inc.
Ruby Receptionists

Featured 2005/06 Speakers

- **Bill Keller**, Executive Editor of *The New York Times*
- **Bruce Devlin**, golf pro
- **Sandy Baruah**, Asst. Secretary for Econ. Dev., U.S. Dept. of Commerce
- **Alberto Gonzales**, U.S. Attorney General
- **William S. Ayer**, CEO, Alaska Airlines
- **Michael Powell**, President and Owner, Powell's Books
- **Lani Hayward**, Executive Vice President, Umpqua Bank
- **John Mitchell**, Economist, U.S. Bancorp
- **Michael Schrunk**, Multnomah County District Attorney
- **Vicki Phillips**, Superintendent, Portland Public Schools

» Central City & Downtown Services

The Alliance has the honor of managing the downtown Business Improvement District (BID) on behalf of Portland Downtown Services, Inc. (PDSI) and the property owners in the 213-block area covered by the BID. During the 2005/2006 fiscal year, we worked closely with the PDSI board to ensure that funds from the improvement district were focused on property owners' priorities.

At the top of the priority list for property owners was improving downtown public safety. The BID budget was reshaped to add funding for additional downtown security efforts, enabling the hiring of seven more private security officers, the most officers ever in the district. Most importantly, Alliance staff worked closely with Mayor Tom Potter, who also made improving downtown security a top priority, and the rest of City Council.

A public/private effort emerged that successfully focused on making our downtown safer. The results: a 20 percent decrease in downtown crime between January and July 2006, and a 40 percent decrease in car prowls.

Additionally, the Alliance joined with Mayor Potter and the City to fund beds at Central City Concern for homeless people who frequently showed up in the criminal justice system. In the first nine months of the program, there was a 68 percent decrease in property crimes among the group of targeted individuals.

We are especially proud of the homeless-to-work effort that is an important part of the Downtown Clean & Safe Program: Previously homeless individuals are hired through Central City Concern to help keep downtown clean. The Alliance also staffs the Westside Community Court and provides assistance to the Downtown District Attorney in an effort to keep downtown clean and safe.

During the year, the Alliance advocated for a strong downtown retail community, working through the Downtown Retail Council. Special promotions attracted visitors to the retail core during the important holiday shopping season, and the tree-lighting program managed by the Alliance on behalf of downtown property owners made the city more festive. The Alliance's Sidewalk Ambassadors (Portland's i's) made visiting downtown even easier, by assisting visitors with directions and information. ●



Trees lit with holiday lights line the streets of downtown.

2005 Business Census Highlights

- **4,120** businesses, non-profit organizations and government entities in the I-5/I-405 loop, up 86 from the 2004 census.
- **82,761** employees, up 264 from 2004.

2005 Downtown Pedestrian Count

- **2 percent** annual increase in foot traffic at 15 key intersections over last year.
- Some intersections saw an increase of up to **58 percent**.

Clean & Safe

- Removed **33,722** graffiti tags.
- Collected **20,435** bags of trash.
- Responded to **236,603** calls for service and citizen contacts.

Sidewalk Ambassadors

- **62,810** citizen interactions.
- **1,863** calls for maintenance or security services.
- **18,666** publications handed out (maps, brochures, event notices).
- **5,566** visits to downtown merchants.

Holiday Lighting

- More than **700** trees lit on **63** blocks in downtown from November through January.



» News & Publications

Communicating effectively with our membership is one of our key goals. We know it is important to members to know what the Alliance is doing on their behalf and about upcoming networking and educational opportunities. To that end, we focused on developing and refining our print and electronic communications.

Each year, we conduct a membership survey and use those results to improve our communication tools. This year, we learned that more and more members are relying on the Alliance web site for information about events, members, studies, plans and public policies we are working on with regional partners. With that in mind, we continued to update our web site to make it easier for members to find Alliance press releases, information about upcoming events, money-saving programs, and other important business resources. We also added new features to increase our members' exposure, including a community calendar for member events and a news page for posting members' media releases. These changes created a more effective web site, as evidenced by more than 500,000 hits per month, and attracted the attention of the Western Association of Chamber Executives, who voted the Alliance web site the best site for chambers with more than 1,000 members in 2006.

With our members in mind, we continually improve our avenues of communications, both print and electronic. The bi-monthly print newsletter is mailed to all Alliance members and focuses on news for small and mid-sized businesses. The electronic eNewsletter reaches more than 3,500



subscribers every month, highlighting upcoming events, and economic, policy and member news. Our weekly eCalendar promotes upcoming networking and educational events for members. We produced an informative relocation DVD, called "Portland, Oregon: America's best place to live, work and play," which gives an overview of the area's many attractions and events.

While we are improving our communications with our members, another goal was to effectively communicate with the general public as well. At its yearly retreat, the Alliance Board of Directors focused on issues facing the business community, including the public's perception of business in Portland. To address this issue, we created the Communications Committee with the directive to improve the public's perception of the Portland business community. The committee is undertaking many efforts, and will direct our communications activities in the months and years ahead.

Thank you

We would like to thank these sponsors for contributing to Alliance events and programs during the 2005/06 fiscal year:

- Ashforth Pacific
- Business Builders International
- CH2M Hill
- Colliers International
- Countrywide Home Loans
- Emerson Hardwood Co.
- Ferguson Wellman
Capital Management
- Hoffman Construction Co.
- Holland & Knight
- IBM
- JetBlue
- Keybank
- KXL
- Liberty Northwest
- Melvin Mark Companies
- Nike
- NW Natural
- ODS Companies
- Office Depot
- Oregon Health &
Science University
- Oregon State University
- Port of Portland
- Portland Downtown
Services Inc.
- Portland General Electric
- Portland State University
- Portland Trail Blazers
- Providence Health System
- Qwest
- Stoel Rives
- The Regence Group
- Tonkin Torp
- TransCanada
- U.S. Bank
- Umpqua Bank
- University of Oregon
- UPS
- Wells Fargo Bank
- West Coast Bank

Our affiliates

- Campaign for Greater Portland
- Citizens Crime Commission
- Leaders Roundtable
- Oregon Mentors