

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: 12/08/2015 **Approx. Start Time:** 2:30 **Approx. Length:** 1 hr.

Presentation Title: Economic Development Commission 2015 Final Committee Report

Department: Business & Community Services, Gary Barth, Director
Division: Business & Economic Development

Presenters:

Staff: Catherine Grubowski-Johnson, Business and Economic Development Manager
Economic Development Executive Committee:
 Robert Campbell, Chair
 Richard Goddard, Vice Chair

Other Invitees:

Cindy Hagen, Business and Economic Development Coordinator
Jamie Johnk, Business and Economic Development Coordinator
2015 Economic Development Commission Members

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The purpose of this study session is to present the 2015 Economic Development Commission (EDC) final committee reports for consideration by the Board of County Commissioners and approve the 2016 work plan.

EXECUTIVE SUMMARY:

The Economic Development Commission (EDC) committee work for 2015, was focused on outreach to existing Clackamas County Businesses.

The EDC, working through the outreach management of the Clackamas County Economic Development (CCED) Division, developed a program to contact 100 companies who make up the Target Business Outreach List. These companies were identified through a process using Clackamas County Economic Landscape data (IMPLAN and ES-202 database compilation of Target Businesses).

The Target Business Outreach List is comprised of companies who fit within the County's Key Clusters:

- ▶ Advanced Manufacturing – Metals & Machinery
- ▶ Professional Business Services
- ▶ Wood Products Manufacturing
- ▶ Wholesale Trade
- ▶ Trucking & Distribution
- ▶ Advanced Technology - High Tech
- ▶ Health Care
- ▶ Food & Beverage Processing
- ▶ Agriculture & Food Production
- ▶ Nurseries & Greenhouses
- ▶ Software & Media Production

Methods of outreach included:

1. Direct one-on-one visits with business owners or managers.
2. Business representatives from key clusters presented at EDC meetings.
3. EDC member(s) accompanied CCED staff to industry association meetings.

Working with CCED team, the EDC developed a list of questions to ask companies focused around General Business, Transportation, Workforce, and Future Business Growth. Such questions included:

1. What is working well in your industry?
2. What are the challenges and/or barriers to doing business?
3. Are there types of activities, programs, or policies that the County can explore that would be of assistance to your industry?

EDC and CCED staff met with 105 businesses over a 9 month period. This final report includes Key Findings and Recommendations from the EDC based on the feedback from the businesses contacted. Key issues that rose to the top were workforce, transportation, financing. Below is feedback per each industry.

FINANCIAL IMPLICATIONS (current year and ongoing):
Staff time and program costs (undetermined at this time)

LEGAL/POLICY REQUIREMENTS:
No legal/policy requirements at this time. Policy recommendations in the report are made by the EDC for consideration by the BCC in future programming.

PUBLIC/GOVERNMENTAL PARTICIPATION:
Undetermined at this time

OPTIONS:

1. Accept the EDC 2015 Final Committee Reports
2. Request additional feedback from the EDC on the businesses that were interviewed.

RECOMMENDATION:
Staff respectfully recommends that the BCC accept the EDC 2015 Final Committee Reports.

ATTACHMENTS:
Economic Development Commission 2015 Final Committee Report, PowerPoint presentation, and the 2016 Economic Development Commissions work plan.

SUBMITTED BY:
Division Director/Head Approval _____
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Clackamas County Economic Development 503-742-4329
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2015

**Clackamas County
Economic Development Commission (EDC)
Final Committee Report
to Board of County Commissioners**

December 8th, 2015

EXECUTIVE SUMMARY

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- ▶ Nurseries & Greenhouses
- ▶ Software & Media Production

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3. Are there types of activities, programs, or policies that the County can explore that would be of assistance to your industry?

EDC and CCED staff met with 105 businesses over a 9 month period. This final report includes Key Findings and Recommendations from the EDC based on the feedback from the businesses contacted. Key issues that rose to the top were workforce, transportation, financing. Below is feedback per each industry.

EDC COMMITTEES

Committee #1: Advanced Metals & Manufacturing, High Tech, Health Care

EDC Executive Committee: Wilda Parks
EDC Members: Lynn Wallis, Ken Humberston, Conrad Johnson, Bridget Dazey, Gordon Young, Matt Butts, Zack Henkin
County Staff: Cindy Hagen – Committee Coordinator, Catherine Grubowski-Johnson, Jamie Johnk, Corina Olsen
Guest Speakers: Nathan Marks, Marks Brothers
Joe Shaddix, Shimadzu USA Manufacturing

Committee #2: Software and Media Production, Professional Business Services

EDC Executive Committee: Peter Lund
EDC Members: Norm Solomon, Cheryl McGinnis, Michele Conditt, Matthew Subotnik, Tammy Stempel, Ken McClintock, Mark Meek
County Staff: Jamie Johnk – Committee Coordinator, Catherine Grubowski-Johnson, Cindy Hagen, Corina Olsen
Guest Speakers: Peter Lund, SuperGenius

Committee #3: Trucking & Distribution, Wholesale Trade, Wood Products Manufacturing

EDC Executive Committee: Richard Goddard
EDC Members: Jerry Simnitt, Bill Avison, Rob McEachern, John Drentlaw, Dan Occhipinti, Derek Metson, Dave Nielsen, Robert Fowke, Kevin Kluppenger, Matt Butts
County Staff: Corina Olsen – Committee Coordinator
Catherine Grubowski-Johnson, Cindy Hagen, Jamie Johnk
Guest Speakers: Tom Partin, President of American Forest Resource Council

Committee #4: Agriculture, Food Production, Nurseries & Greenhouses, Food & Beverage

Members: *Participants were members of the Sector Partnership Group managed by the Workforce Investment Council.*

EDC Executive Committee: Rob Campbell
EDC Members: Bridget Dazey
County Staff: Rick Gruen, Sam Wolf
Guest Speakers: Kurt McKnight, Ever Fresh Fruit/Northwest Food Processors Association

KEY FINDINGS

Committee #1: Advanced Manufacturing- Metals and Machinery, Advanced Technology – High-tech, Health Care

Key Findings:

- Desire for increased investment in training for skilled labor (specifically machinists, maintenance workers, and engineers).
- Need for continuous promotion of Enterprise Zones and general business assistance programs.
- Access to capital to facilitate investments in equipment and people.
- Interested in having support in gaining access to continuous improvement resources. (Lean, etc)
- Need for increased awareness of internship opportunities & career pathways leading to certification and/or employment.
- Request for increase in public transit options for workers.
- Need for skilled workers to sustain existing business operations and achieve potential for growth.

Recommendations for action and/or support:

- Support workforce recruitment and training initiatives and increase resources in order to enhance local business competitiveness.
- Support business assistance programs around access to capital.
- Advocate for additional public transit options.

Comment from Committee: While we recognize that the businesses interviewed this year reported that transportation & public transit in Clackamas County is adequate, challenges still remain as referenced in the EDC 2014 Annual Report.

Committee #2: Software and Media, Professional Business Services

Key Findings:

The Software & Media and Professional Business Services industry sectors are continuing to grow in Clackamas County – key findings for this growth include:

- Increased project availability (pipeline).
- Industry specialization, collaborations and partnership.
- Industry incentive programs.

While there has been growth in both sectors the businesses have identified the following barriers to their continued growth:

- Need for skilled workforce.
- Access to capital.
- Increase public transportation options for workforce.

Industry sectors performance can be impacted by the following:

- Prevailing market conditions.
- Transportation options available to workforce.
- Legislative changes to existing industry incentive programs.

Recommendations for action and/or support:

Based on our committee’s work, we encourage BCC to support the following policies:

Transportation:

- Increased infrastructure and capacity for I-5, I-205.
- Increased Public Transportation infrastructure, including:
 - Increased “express” commuter service between Orange Line terminus, Downtown Oregon City, and CCC.
 - Long Term – Extending the Orange Line to Oregon City.

Workforce:

- Support for Workforce Training programs, including:
 - Oregon Media Institute (working title) legislative funding.
 - Focus on connecting Clackamas companies with available Workforce programs.

Incentive Support:

- Modifications to the Oregon Production Investment Fund, including:
 - \$4.5mm increase in the overall fund.
 - Amending the existing program to support Video Game and Post Production companies in the greater OPIF fund.

Committee #3: Trucking & Distribution, Wholesale Trade, Wood Product Manufacturing

Key Findings:

Need for adequate roads & public transportation

- Companies in the county see the Sunrise Corridor project as something that will alleviate the significant traffic issue on Highway 212 and would like to see more projects like that in the area.
- The closure of Terminal 6 at the Port of Portland has caused an increase in freight costs by 10-15% for businesses.
- There is a lack of available transportation for 3rd shift workers.

Finding skilled workforce

- Companies are facing severe difficulty finding drivers. The market for drivers is extremely competitive so companies are forced to pay them higher wages in order to attract them.
- Not only drivers but qualified/skilled employees in general.

Permit Process in Clackamas County

Companies are concerned with some of the red tape and inconsistencies with the application of code and clarity of requirements.

Recommendations for action and/or support:

- Advocate for additional public transit options that can serve 3rd shift workers.
- Continue efforts for further road improvement and additional roads to help alleviate congestion.
- Advocate for funding of local high schools to keep vocational and other programs open also, add computerized manufacturing programs to high schools.
- Continued awareness for the barriers of mandated Legislative Rules and Regulations i.e. minimum wage, marijuana legalization, and sick leave.
- Explore the County's permitting process and compare against other County's permitting process in the area and work towards a solution to remove the barriers that companies face when working with the permitting office.

Committee #4: Agriculture & Food Production, Food & Beverage Processing, Nurseries and Greenhouses

Key Findings:

- Partners are communicating and collaborating more.
- Increased demand for local and regional food is poised to increase, more institutional buyers already purchasing local food.
- Development of training systems and talent pool is crucial – currently, the timeline for bringing skilled workers onto the jobsite is taking too long, and businesses are losing money by not having enough able workers.
- More labor specific info is available for the industry to study trends and adjust for the needs of the market.
- Limited space for expansion – industry is poised to have substantial growth in the coming years, and there are just not enough shovel-ready sites in the region.
- Request for increase in public transit options for workers.

Recommendations for action and/or support:

- Support business assistance programs around access to capital.
- Advocate for additional public transit options, and increased service area & region for public transportation.
- Support workforce training initiatives and resources to increase the competitiveness of local businesses.



Company Contacted: _____
EDC Representative: _____
Company Representative(s): _____
Date Contacted: _____

GENERAL BUSINESS

1. What is working well in your industry?

2. Are there any barriers that you are facing?

3. What do you consider will have the biggest effect on your business performance in the next 12 months?

4. Are there types of activities, programs, or policies that the County can explore that would be of assistance to your industry?

JOB GROWTH

1. Over the next 2 years do you expect your workforce to increase, decrease or stay the same?

2. Are there any challenges to finding qualified individuals to fill open positions?

TRANSPORTATION

1. Is the transportation system in Clackamas County adequate to move your goods to market?

2. Is your business adequately served by public transit?

FUTURE BUSINESS GROWTH

1. Are you considering relocating or expanding your business in the next two years?

2. What trade organizations or business affiliations are you a member of?

ASSISTANCE

1. Would you like to be contact by Clackamas County Economic Development Team?

2015 ECONOMIC DEVELOPMENT COMMISSION ROSTER

EXECUTIVE COMMITTEE

Chair

Robert Campbell, Clackamas Small Business Center

Immediate Past Chair

Kenneth McClintock, Edward Jones

Vice Chair

Richard Goddard, Portland General Electric

Peter Lund, SuperGenius

Wilda Parks, Milwaukie City Council

MEMBERS:

Bill Avison, Avison Lumber Company

Matt Butts, Group Mackenzie

Michele Conditt, Reliance Connects

John Drentlaw, JLD Construction Consulting

Daniel Occhipinti, Pacific Seafood

Robert Fowke, Business Efficiency Consulting

Zack Henkin, Drive Oregon

Kenneth Humberston, Clackamas Regional Water Supply

Conrad Johnson, Wells Fargo

Kevin Klupenger, Pacific Risk Management

Robert McEachern, Capacity Commercial

Cheryl McGinnis, Clackamas River Basin Council

Mark Meek, Markram Properties

Derek Metson, Greenbox Architecture

David Nielsen, Home Builders Association

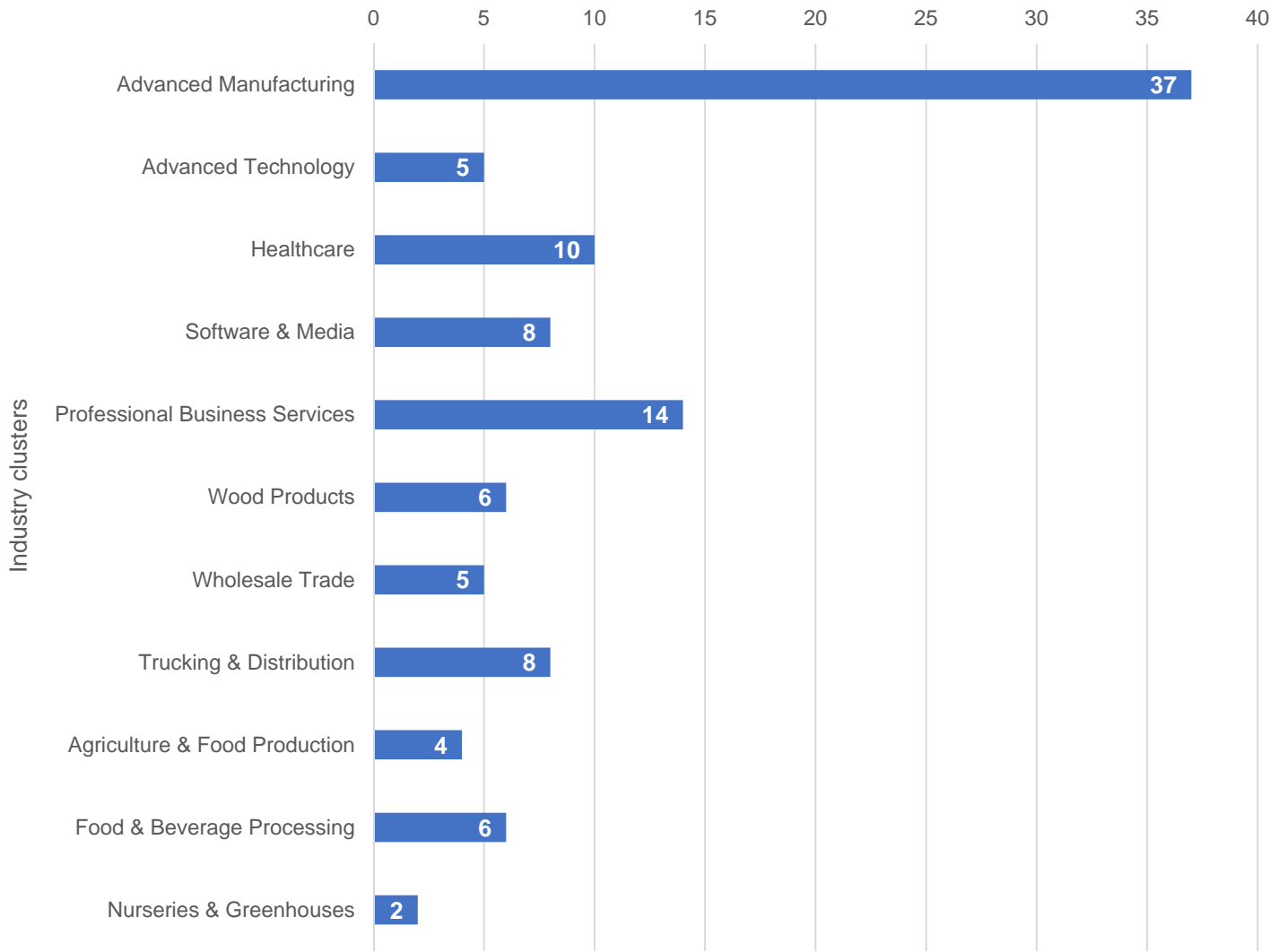
Jerry Simnitt, Simnitt Nursery

Tammy Stempel, Adapt Engineering, Inc.

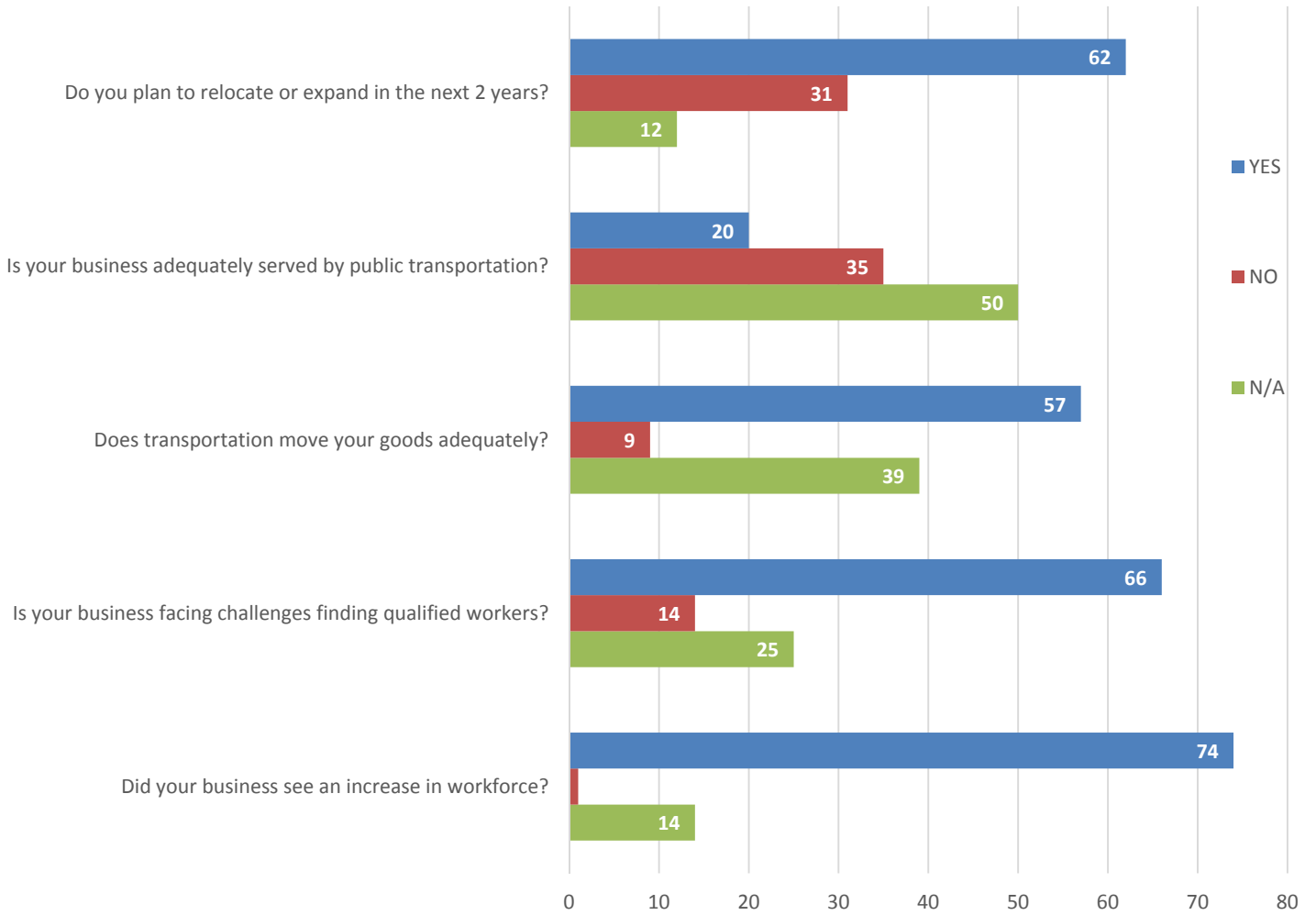
Matthew Subotnick, Self Employed

Gordon Young, Vector Control District

Companies visited per industry cluster



Business outreach results of key data





Economic Development Commission (EDC)

2015 Committees

Findings and Recommendations

Committee #1

Advanced Manufacturing – Metals & Machinery
Advanced Technology - High Tech
Health Care

Committee Members:

EDC Executive Committee Liaison: Wilda Parks

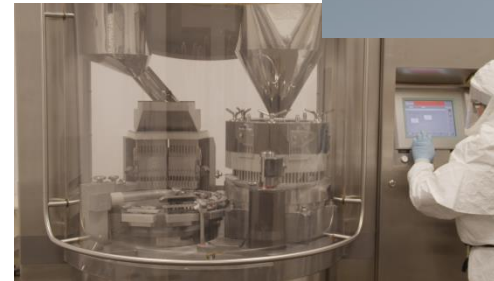
EDC Members: Lynn Wallis, Ken Humberston, Conrad Johnson,
Bridget Dazey, Gordon Young, Matt Butts, Zack Henkin

County Staff: Cindy Hagen

Guest Speakers:

Nathan Marks, Marks Brothers

Joe Shaddix, Shimadzu USA Manufacturing



Committee #1

Key Findings

- Increased investment in training for existing workforce
- Promote Enterprise Zones and general business assistance programs
- Access to capital
- Support continuous improvement resources
 - Example: Lean manufacturing process improvement
- Increase awareness of internship opportunities & career pathways
- Increase in public transit options
- Need for skilled workers

Committee #1

Recommendations

- Support workforce recruitment and training initiatives and increase resources in order to enhance local business competitiveness
- Support business assistance programs around access to capital
- Advocate for additional public transit options

Comment from Committee: While we recognize that the businesses interviewed this year reported that transportation & public transit in Clackamas County is adequate, challenges still remain as referenced in the EDC 2014 Annual Report.

Committee #2

Software & Media Production
Professional Business Services

Committee Members:

EDC Executive Committee Liaison: Peter Lund

EDC Members: Norm Solomon, Cheryl McGinnis, Michele Conditt, Matthew Subotnik, Tammy Stempel, Ken McClintock, Mark Meek

County Staff: Jamie Johnk

Guest Speakers:
Peter Lund, SuperGenius



Committee #2

Key Findings

The Software & Media and Professional Business Services industry sectors are continuing to grow in Clackamas County – Key Findings for this growth include:

- Increase in project opportunities
- Industry specialization, collaborations and partnership
- Incentive programs for media industry

While there has been growth in both sectors the businesses have identified the following barriers to their continued growth:

- Need for skilled workforce
- Access to capital
- Increase public transportation options for workforce

Industry sectors performance can be impacted by the following:

- Prevailing market conditions
- Transportation options available to workforce
- Legislative changes to existing industry incentive programs

Committee #2

Recommendations

Based on our committee's work, we encourage BCC to support the following policies:

Transportation:

- Increase infrastructure and capacity for I-5, I-205
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 - “Express” commuter service between Orange Line terminus to downtown Oregon City and Clackamas Community College
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Workforce:

- Support for Workforce Training programs, including:
 - Oregon Media Institute (working title) legislative funding
 - Focus on connecting Clackamas companies with available Workforce programs

Incentive Support:

- Modifications to the Oregon Production Investment Fund, including:
 - \$4.5mm increase in the overall fund
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Committee #3

Wholesale Trade

Trucking & Distribution

Wood Products Manufacturing

Committee Members:

EDC Executive Committee Liaison: Richard Goddard

EDC Members: Jerry Simmnitt, Bill Avison, Rob McEachern, John Drentlaw, Dan Occhipinti, Derek Metson, Dave Nielsen, Robert Fowke, Kevin Kluppenger

County Staff: Corina Olsen

Guest Speakers:

Tom Partin, President, American Forest Resource Council



Committee #3

Key Findings

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- Not only drivers but qualified/skilled employees in general.

Permit Process in Clackamas County

- Companies are concerned with some of the red tape and inconsistencies with the application of code and clarity of requirements

Committee #3

Recommendations

- Advocate for additional public transit options that can serve 3rd shift workers
- Continue efforts for further road improvement and additional roads to help alleviate congestion
- Advocate for funding of local high schools around trades and career readiness programs
- Continue awareness of Legislative Rules and Regulations such as driver training and qualifications and potential increase in the minimum wage
- Explore the County's permitting process and compare against other County's permitting process in the area and work towards a solution to remove the barriers that companies face when working with the permitting office.

Committee #4

*Food & Beverage Processing
Agriculture & Food Production
Nurseries & Greenhouses*

Committee Members:

EDC Executive Committee Liaison: Robert Campbell

EDC Members: Bridget Dazey

Guest Speakers:

Kurt McKnight, NW Food Processors Association

Julia Metz, Clackamas Workforce



Committee #4

Key Findings

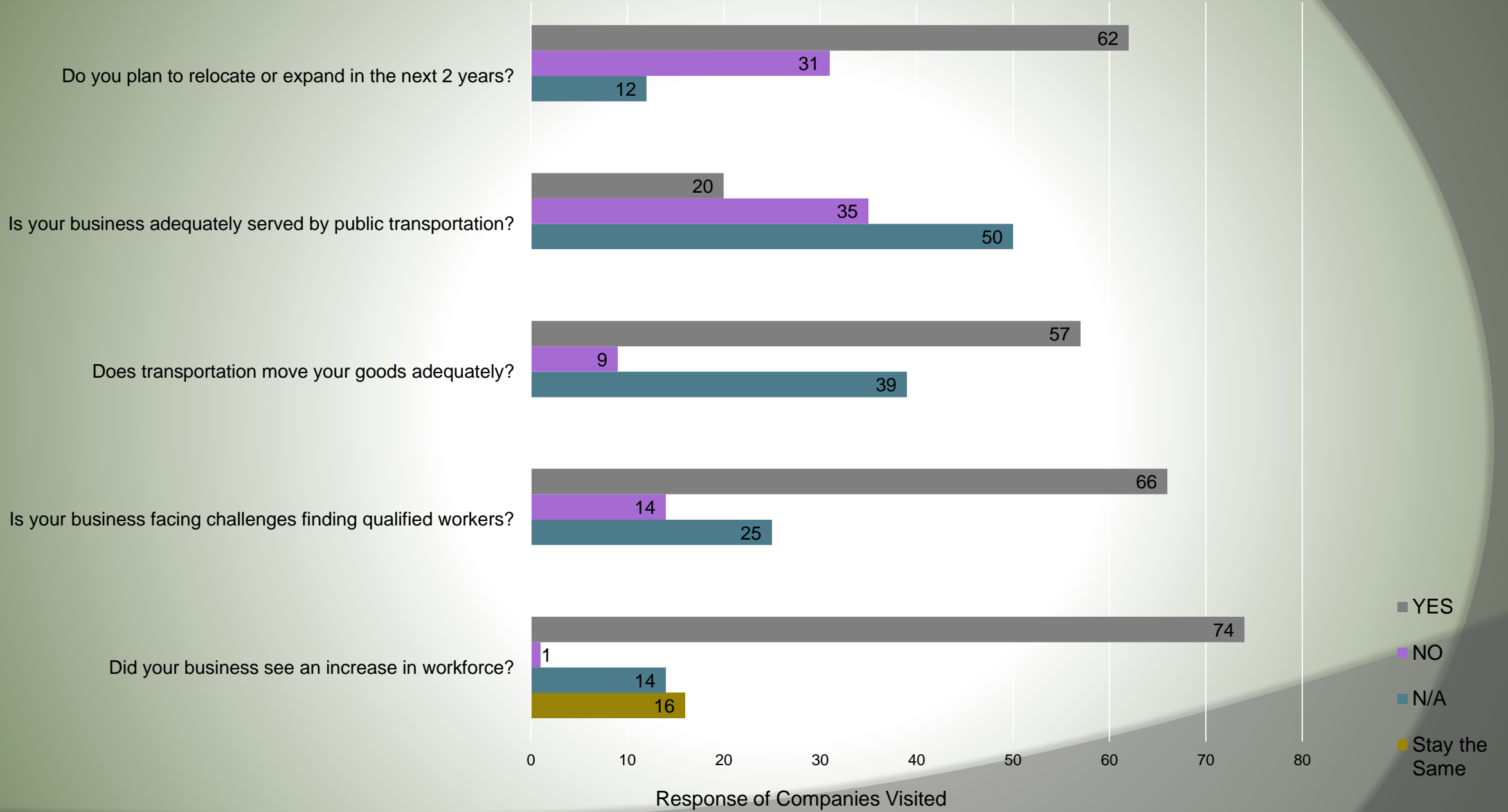
- Partners are communicating and collaborating more
- Increased demand for local/regional food
- Need for skilled workers
- Access to better labor specific information for industry
- Limited space for expansion
- Need for better public transit

Committee #4

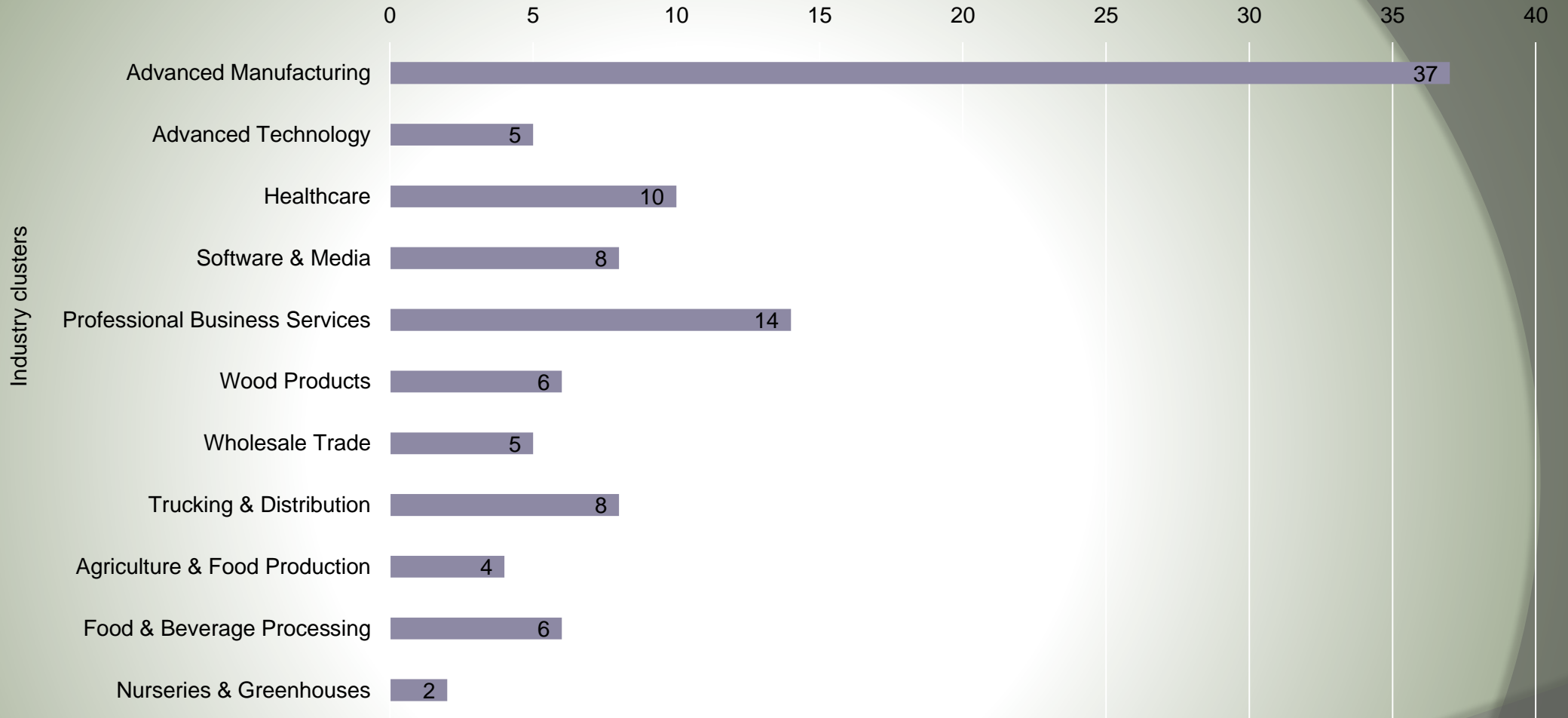
Recommendations

- Support business assistance programs around access to capital, land and new technologies
- Advocate for additional public transit options, increased service area & region for public transportation
- Support workforce training initiatives and resources to increase the competitiveness of local businesses

Business outreach results of key data



Companies visited per industry cluster



Proposed

THE ECONOMIC DEVELOPMENT COMMISSION
EDC
ANNUAL WORKPLAN

2016



ECONOMIC DEVELOPMENT COMMISSION (EDC) ANNUAL WORKPLAN

Regular Meeting Schedule:
January – October 2016

Monthly General Meeting

EDC will consider issues brought to them from the Board of County Commissioners. Topics may include issues the BCC is considering in areas of transportation, infrastructure, workforce, etc. such as regional sewer infrastructure and impacts on county economic development potential. The EDC may have speakers attend meetings to address issues.

Monthly Breakout Committees (immediately following General Meeting)

The EDC will form committees to learn about and engage in understanding industries in Clackamas County through participation in and meeting with trade associations or organizations. The EDC members will compile feedback and present a final report to the BCC in December 2016.

EDC Members may attend meetings of organizations and/or direct meetings with representatives outside of the regular EDC meeting schedule.

SUPPORTING NEW TECHNOLOGY IN INDUSTRIES

The EDC, working through the management of the County's Economic Development Division, will explore, learn, and support the efforts of Industry Organizations in focusing on New Technologies that are advancing industries. The EDC will develop recommendations to the BCC in support of opportunities to grow industries in Clackamas County

Key Clusters:

- ▶ Advanced Manufacturing – Metals & Machinery
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- ▶ Food & Beverage Processing
- ▶ Agriculture & Food Production
- ▶ Nurseries & Greenhouses
- ▶ Software & Media Production

Breakout Committees Goals

EDC members will serve on a committee and meet monthly during the second half of the regularly scheduled EDC meeting.

COMMITTEE 1

Organizations: Manufacturing 21
Pacific Northwest Defense Coalition (PNDC)

New Technologies: Joint Replacements, 3D Printing, Manufacturing Securities

Clusters supported: *Advanced Manufacturing - Metals & Machinery*
Advance Technology - Hi Tech

COMMITTEE 2

Organizations: Pacific Northwest Manufacturing Partnership (PNMP)
American Forest Resource Council

New Technologies : Cross Laminated Timber (CLT)

Clusters Supported: *Wood Products Manufacturing*

COMMITTEE 3

Organizations: Technology Association of Oregon (TAO)
Oregon Games Organization (OGO)

New Technologies: Hololens – Augmented Reality

Clusters supported: *Software and Media Production*
Business and Professional Services

COMMITTEE 4

Organizations: Northwest Food Processors
Oregon Nursery Association

New Technologies: Food Safety and Security, Technology

Clusters Supported: *Agriculture & Food Production*
Food & Beverage
Nurseries & Greenhouses



Committees



Members will organize an outreach program for their industries.

Methods of outreach could include:

- Direct one-on-one visits with Association Leaders
- Host an EDC meeting with Association Leaders as guest speakers
- EDC Member(s) attend Association meeting

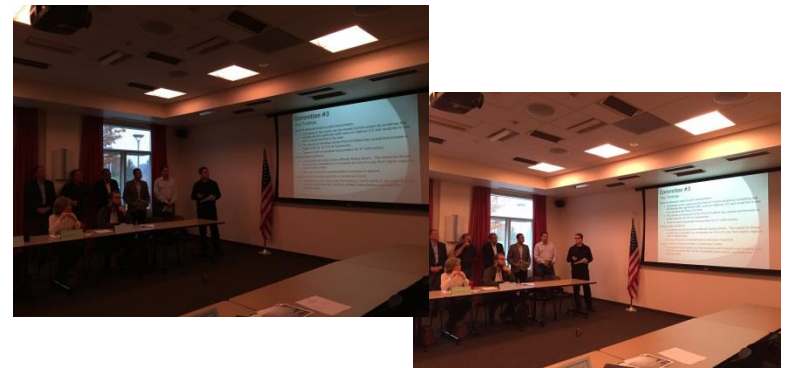
Selecting Associations:

Economic Development staff will provide a list of Associations/Organizations along with contact information.

Method of Outreach

Committees will analyze the feedback they receive from outreach and participation in Associations/Organizations and report back to the EDC.

The EDC will present a final report to the Board of County Commissioners summarizing recommendations on how the BCC can support innovations and new technologies in cluster development.



Committee Reports