Enrolled Senate Bill 482

Sponsored by Senators EDWARDS, THOMSEN, Representative HOYLE, Senators HASS, RILEY; Senators DEVLIN, GELSER, KNOPP, MONNES ANDERSON, ROSENBAUM, STEINER HAYWARD, Representatives CLEM, OLSON (Presession filed.)

CHAPTER

AN ACT

Relating to partnerships for manufacturing economic development.

Be It Enacted by the People of the State of Oregon:

SECTION 1. The Legislative Assembly finds that:

(1) New approaches are needed to plan the way economic development takes place in the manufacturing sectors of this state. The concept of manufacturing business ecosystems has become relevant as the focus of economic development in manufacturing sectors extends to regional economic communities of interacting organizations and individuals who produce and consume goods and services in a specified region. Such manufacturing business ecosystems include suppliers, lead producers, competitors, investors, consumers and other stakeholders.

(2) Over time, manufacturing business ecosystems evolve as members share capabilities and resources and align objectives. Such manufacturing business ecosystems enable regions of similar focus and interests to share visions, align investments and provide mutually supportive roles that benefit the entire region, resulting in job creation and maintenance, leverage of advantages and opportunities, coordination of research and commercialization, acceleration of new technologies across manufacturing industries, growth of small and medium-sized businesses, collaborative development of public infrastructure and increased access to capital.

(3) Providing legislative support to the efforts of manufacturing business ecosystems and designating an entity to unify efforts, provide oversight and leverage regional resources and strengths, are appropriate and innovative means of moving forward with manufacturing economic development in Oregon.

(4) There has been extensive progress towards creating a manufacturing business ecosystem, called the Pacific Northwest Manufacturing Partnership, in the southwest part of the State of Washington and the geographic region located within the Willamette Valley and the Columbia River corridor in Oregon. The partnership was formed in response to a federal initiative known as the Investing in Manufacturing Communities Partnership program in the United States Economic Development Administration which aims to accelerate the resurgence of manufacturing in the United States. The federal initiative seeks to encourage communities to develop comprehensive economic development strategies and best practices that will strengthen the communities' competitive edge for attracting global manufacturer and supply chain investments. The partnership will make application to the federal initiative program for a federal designation as a manufacturing community in accordance with the program requirements and geographical limitations. The partnership is an example of the type of business ecosystem that this state should encourage and support, and may serve as a model for future partnerships for manufacturing economic development in other regions of this state and the Pacific Northwest.

SECTION 2. As used in sections 1 to 4 of this 2015 Act:

(1) "Geographic region" means the following regions and counties:

(a) South Willamette Valley, comprising Benton, Lane and Linn Counties.

(b) Mid-Willamette Valley, comprising Marion and Polk Counties.

(c) Mid-Columbia Valley, comprising Hood River, Sherman and Wasco Counties in the State of Oregon and Klickitat County in the State of Washington.

(d) Portland Metro, comprising Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in the State of Oregon and Clark and Skamania Counties in the State of Washington.

(2) "Manufacturing economic development" means economic development in manufacturing sectors, including but not limited to manufacturing activities related to primary metals, wood products, semiconductors, electronics, medical devices, food processing, technological inputs and machinery.

(3) "Partnership" means the Pacific Northwest Manufacturing Partnership, a collaborative alliance of governmental agencies, educational institutions, manufacturing firms and associations, research facilities, workforce boards, labor organizations and manufacturing economic development entities that has been established in geographic regions in this state for the purpose of:

(a) Integrating knowledge, innovation, research, technology, science, industry, resources and priorities for manufacturing economic development in the geographic regions; and

(b) Enhancing the geographic regions' capacity as manufacturing business ecosystems.

SECTION 3. (1) The Oregon Business Development Department may appoint a Pacific Northwest Manufacturing Partnership Advisory Committee to advise and make recommendations to the department regarding the Pacific Northwest Manufacturing Partnership and manufacturing economic development in this state.

(2) The advisory committee, if appointed, shall advise and make recommendations to the department regarding the following:

(a) Goals and objectives of the partnership;

(b) Policies, practices and procedures for the operation of the partnership, including but not limited to the following:

(A) The manner in which members will convene and communicate to further the partnership's goals and objectives;

(B) The establishment of advisory and standing committees to accomplish discrete goals or objectives of the partnership and prescribing the manner in which committees will report on recommendations to the partnership and the department;

(C) Determining the distribution of responsibilities, including financial responsibilities, among members of the partnership;

(D) Creating protocols for conflict avoidance and conflict resolution to resolve competing interests; and

(E) Resolving any other issues of governance structure that arise in carrying out the goals and objectives of the partnership;

(c) Making grants or loans, or providing other financial or technical assistance, to individuals and entities that have made application for assistance or submitted proposals for manufacturing economic development projects that will further the goals and objectives of the partnership;

(d) Establishing guidelines and standards for manufacturing economic development projects that will receive financial and technical assistance from the partnership, including applicant eligibility requirements; (e) Developing outcome measures and other means for evaluating the progress or success of manufacturing economic development projects that have been funded, supported or undertaken by the partnership;

(f) Identifying statistical compilation and other research endeavors that would assist the partnership to achieve its goals and objectives;

(g) Coordinating efforts and expertise of members, identifying research that is needed to further the goals and objectives of the partnership, aligning resources and projects and providing other leadership that will maximize return on investments in the geographical region represented by the partnership; and

(h) Creating a website for the partnership that will provide information about the goals, objectives, purposes and projects of the partnership.

(3) The Director of the Oregon Business Development Department shall appoint members to the advisory committee so as to reflect the geographic regions described in section 2 of this 2015 Act.

(4) The department shall provide staff support to the advisory committee.

<u>SECTION 4.</u> (1) The Oregon Business Development Department shall facilitate regional collaboration among manufacturing economic development stakeholders through consultation with and support of the Pacific Northwest Manufacturing Partnership in the geographic regions represented by the partnership by:

(a) Providing financial assistance to businesses, programs and entities engaged in manufacturing economic development that are working in collaboration with, or with the financial or technical assistance of, the partnership;

(b) Identifying and recruiting qualified investors and other sources of capital to support members of the partnership or manufacturing economic development projects identified by the partnership that are eligible for financial or technical assistance; and

(c) Entering into contracts and agreements with institutions of higher education, research facilities, economic development entities and other manufacturing economic development entities for the purpose of supporting the goals and objectives of the partnership.

(2) The department shall act on behalf of the partnership to apply or submit proposals for any federal funds, at the request of the partnership, that the partnership and the department determine will assist the partnership to achieve its goals and objectives, including but not limited to funding available to designated manufacturing communities through the Investing in Manufacturing Communities Partnership program in the United States Economic Development Administration. The department may accept and enter into any contracts or agreements on behalf of the partnership for the receipt of the funds from the federal government or its agencies.

<u>SECTION 5.</u> If the Oregon Business Development Department appoints the Pacific Northwest Manufacturing Partnership Advisory Committee, in each year that the advisory committee is active, the department and the advisory committee shall report to the committees of the Legislative Assembly related to business and economic development regarding the implementation of sections 1 to 4 of this 2015 Act, commencing January 1, 2017.

Passed by Senate February 10, 2015 **Received by Governor:** Approved: Lori L. Brocker, Secretary of Senate Peter Courtney, President of Senate Passed by House March 30, 2015 Kate Brown, Governor Filed in Office of Secretary of State: Tina Kotek, Speaker of House

Jeanne P. Atkins, Secretary of State