



February 15, 2019

Gustavo J. Cruz, Jr.
Chair

Francesca Gambetti
Commissioner

Dr. Alisha Moreland-Capua
Commissioner

William Myers
Commissioner

Peter Platt
Commissioner

Ted Wheeler
Mayor

Kimberly Branam
Executive Director

Representative John Lively, Chair
House Committee on Economic Development
900 Court St. NE
Salem, OR 97301

RE: Support for the Oregon Growth Fund – Senate Bill 5524

Dear Chair Lively and Members of the Committee,

I am writing in support of the Oregon Growth Fund (OGF) administered by the Innovation & Entrepreneurship (I&E) division of the Oregon Business Development Department. As a business grows, it needs to access larger sums of capital that come with specific expertise or mentoring. The OGF is the provider of this next step capital via funding through entities like angel funds, equity investments serving under-represented entrepreneurs and sectors, and nontraditional lenders serving rural and minority-led businesses. Seed and early-stage capital can be particularly difficult to access for some communities and industries, particularly traditionally underserved populations. The OGF is a critical funding tool to help fill existing Oregon capital gaps for growing businesses.

In particular, OGF has been a critical co-investment partner with Prosper Portland on innovative funding tools to provide access to capital for underserved entrepreneurs. One co-investment example is the Inclusive Fund managed by Elevate Capital, an early stage seed fund for startups led by women, people of color and other underrepresented founders. This fund was the first of its kind in the country and has already exceeded expectations for the funding partners. OGF also invests in the Microenterprise Services of Oregon (MESO), another critical partner and part of Prosper Portland's Inclusive Business Resource Network. MESO serves a high volume of business owners of color with technical assistance and is a go-to organization in the community for access to capital products.

This co-investment partnership is critical to the success of leveraging collective impact for underrepresented entrepreneurs in the Portland Metro and in Oregon. In order to tackle wealth inequities in this state, we believe it takes multiple public and private partners working together and co-investing to create true impact.

Creating a stable funding source for the Oregon Growth Fund will ensure that private dollars continue to be leveraged, along with expertise provided, to serve Oregon's entrepreneurs. With the recent increase in later stage investors statewide, it is critical that early-stage funding options exist to fill investment pipelines, keeping growing businesses in Oregon, and employing Oregonians. We are solid supporters of the Oregon Growth Board, and urge the Legislature to continue funding the Oregon Growth Fund.

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Sincerely,

Bobby Lee

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Economic Development Director, Prosper Portland