

# BUSINESS OREGON

# 2021-23 Budget Presentation

Transportation and Economic Development Subcommittee of Ways and Means

Main Agency Budget Bill: SB5524

February 2021



# Three Day Agenda

## Day 1 // Feb 22

- DAS Introduction
- Agency Overview
- Budget Overview
- Policy Option Packages

## Day 2 // Feb 23

- Policy Option Packages cont'd
- Other Additions to GRB
- Reductions
- Agency Proposed Legislation
- Program Overviews

## Day 3 // Feb 24

- Agency Wrap-up and Summary
- Regional Solutions
- Public Testimony

# DAS INTRODUCTION

LINNEA WITTEKIND



# AGENCY OVERVIEW

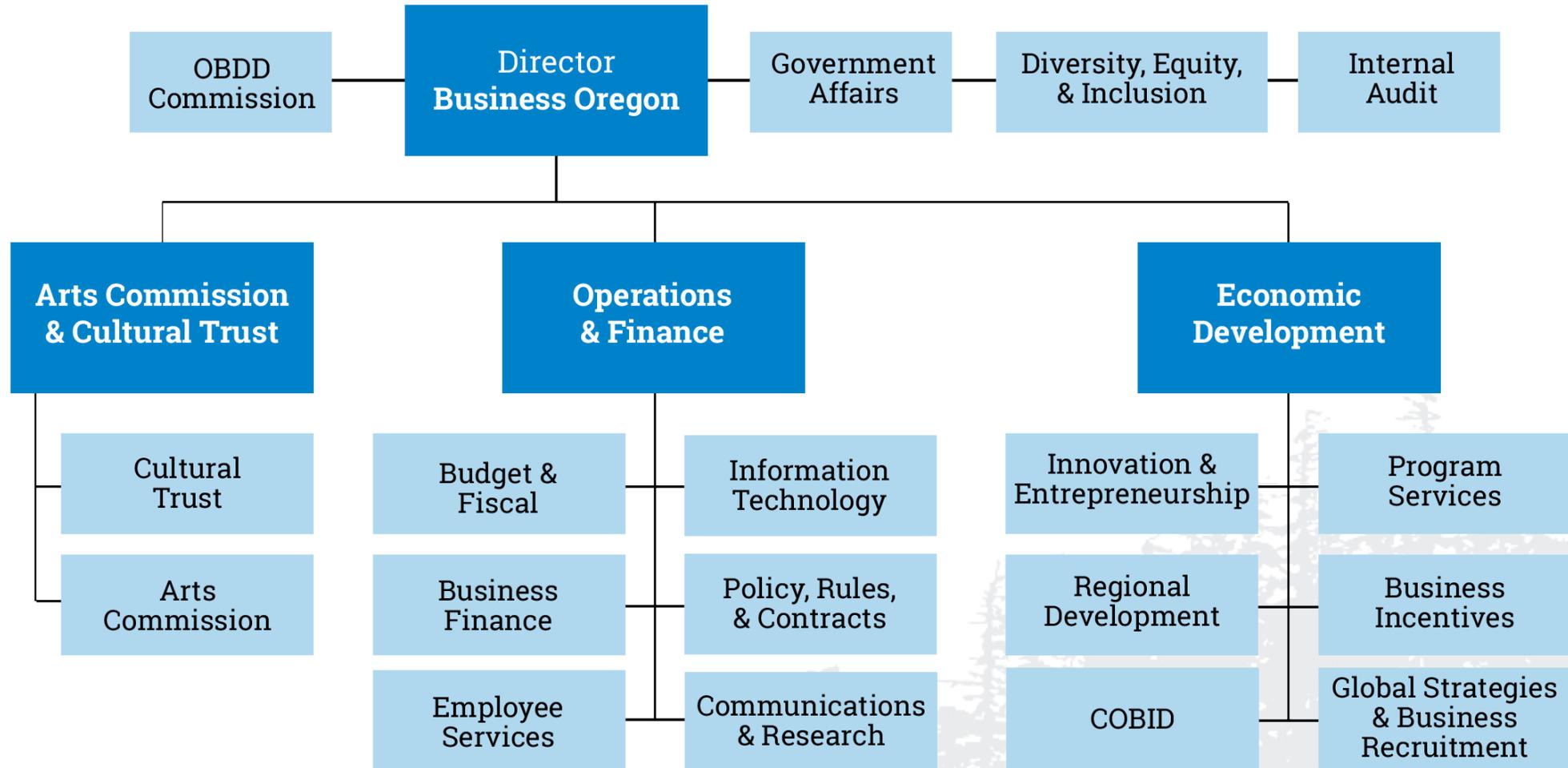
CHRIS CUMMINGS





**VISION:**  
**Prosperity for all Oregonians**

**MISSION:**  
**We invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy**



# PROSPERITY FOR ALL OREGONIANS

Business Oregon Strategic Plan // 2018 - 2022

business  
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# Strategic Priorities

- Innovate Oregon's economy
- Grow small and middle-market companies
- Cultivate rural economic stability
- Advance economic opportunity for underrepresented people
- Ensure an inclusive, transparent, and fiscally healthy agency

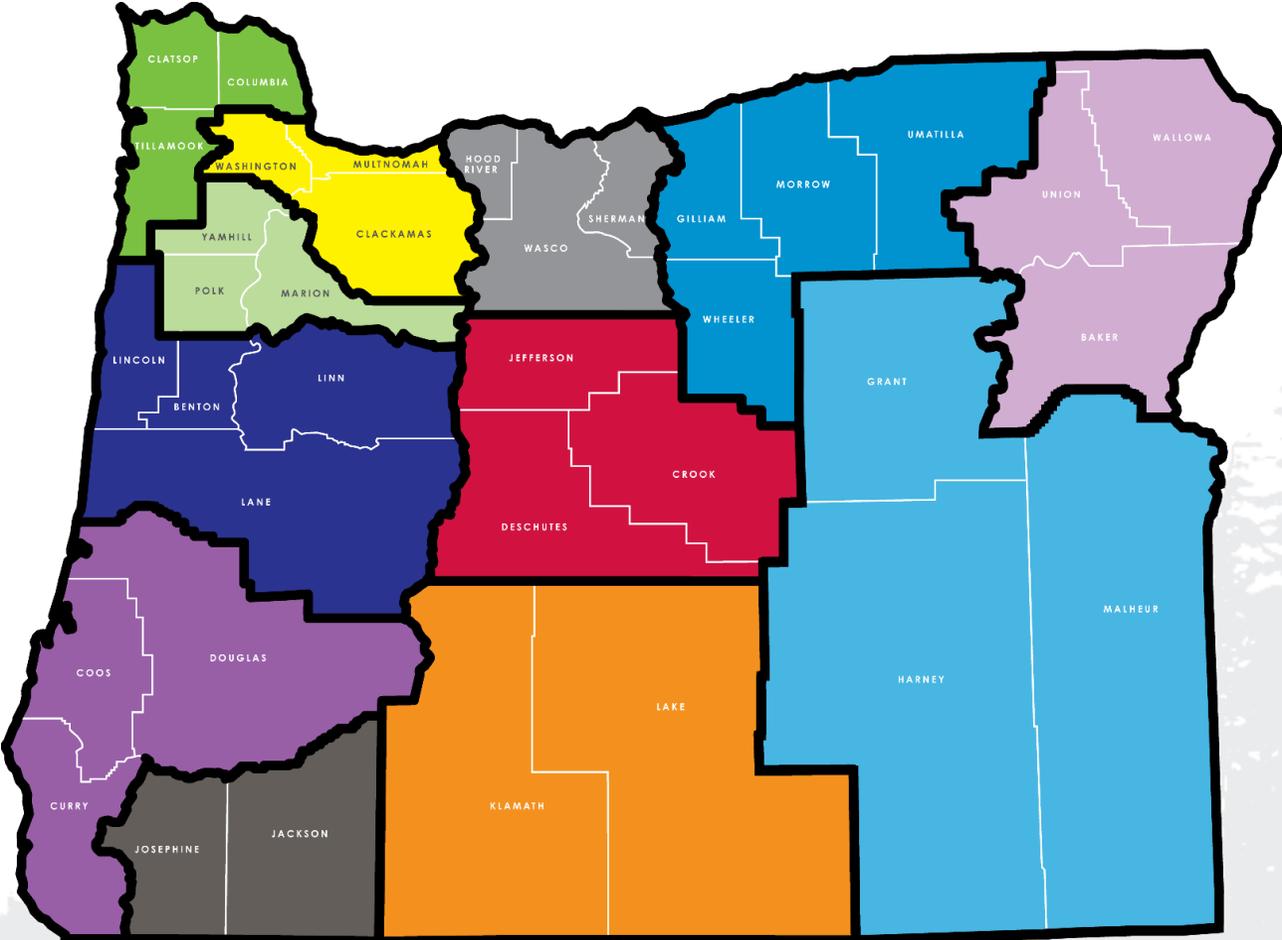
# Diversity, Equity, and Inclusion

- Diversity, Equity, and Inclusion (DEI) as a priority
- Internal
  - Implicit bias tests and follow-up conversations for all staff
  - *Belonging At Work*, by Portland author Rhodes Perry
  - DEI Council – developed definitions and North Star statement
  - More inclusive language on hiring
- External
  - Programs began to administer demographic surveys
  - Public Benefit Agreements
  - Strengthened informal relationships, regular check-ins, expanding networks
  - More accessible program design

# Boards and Commissions

- Oregon Business Development Commission
- Infrastructure Finance Authority
- Oregon Innovation Council
- Oregon Broadband Advisory Council
- Oregon Growth Board
- Oregon Arts Commission
- Oregon Cultural Trust
- Business Finance Committee
- Seismic Grant Committee

# Focus on Unique Regional Economies



# Target Industries

\*Emerging industries in red

Advanced Manufacturing	<ul style="list-style-type: none"><li>• Upstream Metals &amp; Machinery</li></ul>	<ul style="list-style-type: none"><li>• Aerospace &amp; Defense</li><li>• Biomedical</li></ul>
Food & Beverage	<ul style="list-style-type: none"><li>• Food</li><li>• Beverage</li></ul>	
Forestry & Wood Products	<ul style="list-style-type: none"><li>• Forestry</li><li>• Wood Products</li></ul>	
High Technology	<ul style="list-style-type: none"><li>• Semiconductors &amp; Electronics</li><li>• Software &amp; IT</li></ul>	
Outdoor Gear & Apparel	<ul style="list-style-type: none"><li>• Apparel &amp; Footwear</li><li>• Outdoor Gear</li></ul>	
Business Services	<ul style="list-style-type: none"><li>• Professional &amp; Technical Services</li></ul>	<ul style="list-style-type: none"><li>• Company Management</li><li>• Customer Support</li></ul>

# Opportunities - 10-year Economic Trends

- 7<sup>th</sup> highest GDP growth rate
- 11<sup>th</sup> highest employment growth rate
- 5<sup>th</sup> highest average wage growth rate
- 7<sup>th</sup> highest personal income growth rate
- 2<sup>nd</sup> highest knowledge worker in-migration growth rate
- 3<sup>rd</sup> highest *Innovation Index* score amongst states, 2018

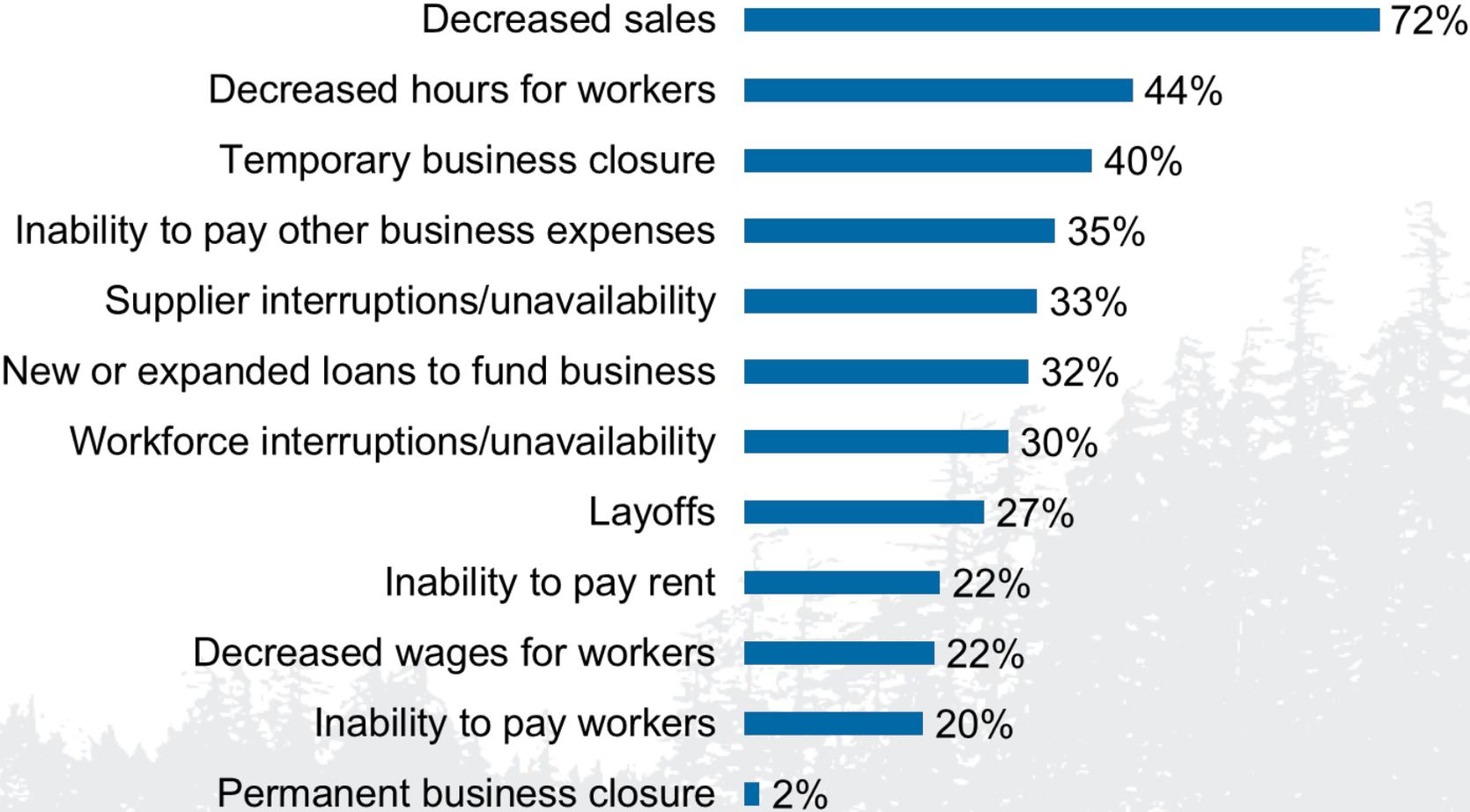
# Challenges - Economic Snapshot

- 11<sup>th</sup> highest average unemployment rate, 2009-2019
- Workforce challenges
  - Ranked 34<sup>th</sup> in STEM graduate growth rate, 2007-2017
- Middle-wage job growth lagging
  - Growth concentrated in low-wage/low-skill and high-wage/high-skill jobs
- Impacts from COVID...

# Business Impacts from COVID-19 in Oregon

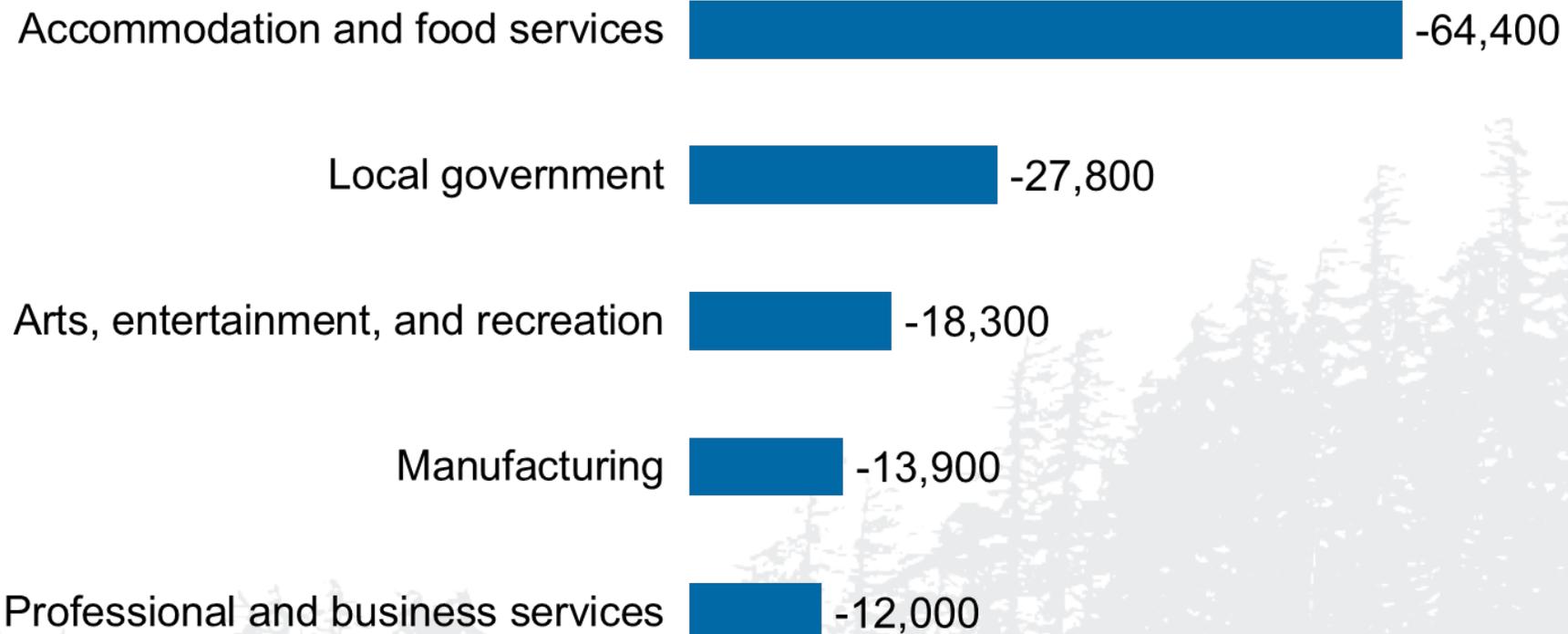
## Survey Results / April 2020

Results Weighted by Industry Size



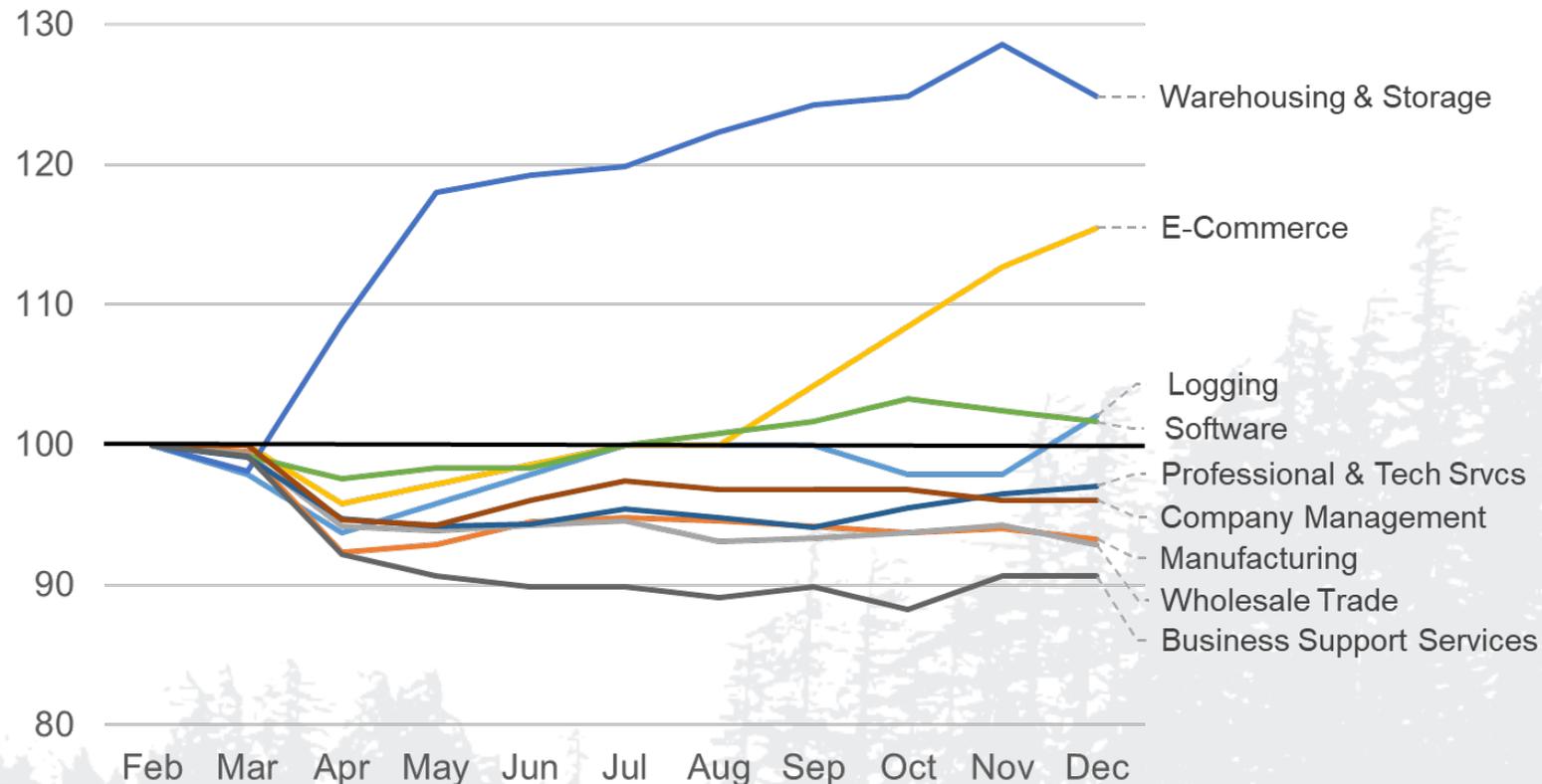
# Impacts Not Limited to Service Sector

## Oregon Employment Change, Feb-Dec 2020, Seasonally Adjusted



# Manufacturing, Other Traded Sector Industries Still Losing Jobs

Oregon Employment, Indexed to February 2020  
Seasonally Unadjusted, Traded Sector Industries

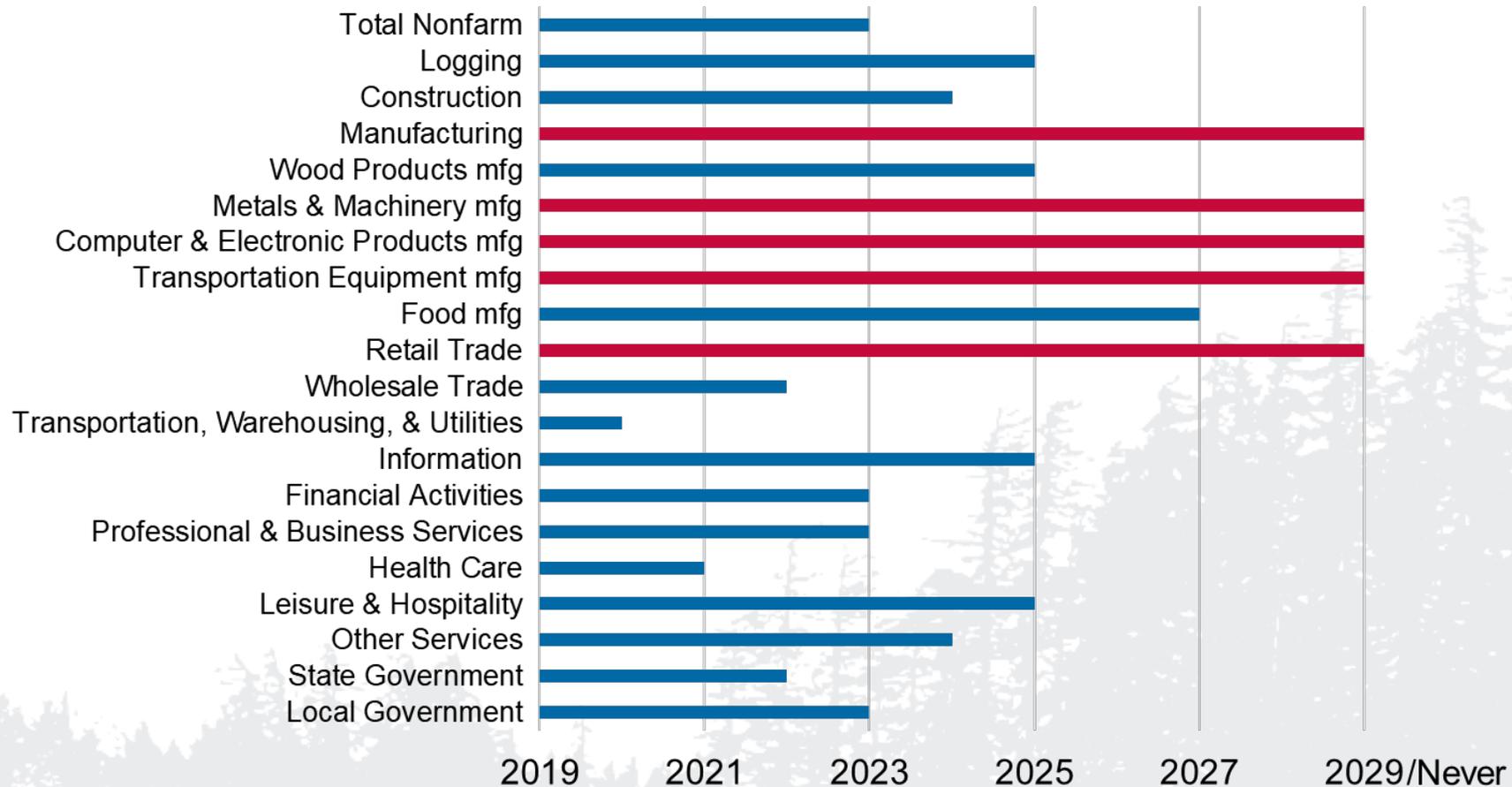


Source: Oregon Employment Department, Current Employment Statistics.

# Key Industries Not Forecasted to Fully Recover

## Forecasted Year of Oregon Employment Recovery

December 2020 OEA Economic Forecast



# COVID Response

- Oregon legislature directed Business Oregon to stand up many programs using CARES Act and state funding
  - **\$43.1M** // Emergency Grants for Small Businesses (Approx. **7,500** grants through **5** rounds)
  - **\$5M** // Technical Assistance Providers targeting underrepresented businesses
  - **\$34.8M** // Rural Hospitals Impacted by COVID
  - **\$20M** // Broadband Development (\$1.1M passed through to ODE)
  - **\$26M** // Statewide Cultural Support
  - **\$14M** // Personal Protective Supplies for Small Businesses
  - **NEW \$100M** // Commercial Rent Relief for businesses impacted by COVID

# COVID Response

- EDA Grant
  - COVID Economic recovery strategic plan
  - Broad outreach and coordination with Oregon communities, stakeholders and businesses (special emphasis on hardest hit industries and unrepresented businesses and communities)
  - Eight month timeline
- **\$26.3M** // Community Development Block Grant for community and business resources
- **\$452K** // CARES National Endowment for the Arts fund
- **\$1.25M** // Artist Relief Fund

# Financial Reporting & Transparency

Project financing information [available online](#), posted quarterly.

	Total # Investments	Total \$	% of \$ Business	% of \$ Infrastructure/Community	Rural \$	Rural # Investments	% of \$ Rural Investments
*FY2021	882	\$226,986,141	TBD	TBD	TBD	TBD	TBD
FY2020	307	\$117,317,201	24%	76%	\$83,568,341	173	71%
FY2019	402	\$185,503,529	12%	88%	\$143,015,631	230	77%
FY2018	278	\$173,351,429	15%	85%	\$131,662,030	207	76%
FY2017	307	\$241,751,196	6%	94%	\$191,690,996	228	79%
<b>TOTAL</b>	1,294	\$717,923,355	13%	87%	\$549,936,998	838	77%

# Measuring Impact

- Legislative KPMs
  - Established by Oregon legislature, broad and largely jobs-focused.
- Strategic plan metrics
  - Things we want to look at to understand and track the impact of our work, and to influence strategy.

# Key Performance Measures 2020

1. Jobs created  
Actual: **811** // Target: **1,200**
2. Jobs retained  
Actual: **1,937** // Target: **5,500**
3. Tax revenue generated  
Actual: **\$7.2M** // Target: **\$19.1M**
4. Export sales of assisted clients  
Actual: **\$140M** // Target: **\$47.8M**
- 5a. \$ of Federal contracts awarded to businesses receiving GCAP assistance  
Actual: **\$50.3M** // Target: **\$76M**
- 5b. # of Federal contracts awarded to businesses receiving GCAP assistance  
Actual: **660** // Target: **200**

# Key Performance Measures 2020

6. Industrial sites certified

Actual: **2** // Target: **1**

7. Community capital planning projects

Actual: **56** // Target: **37**

8. Community health/safety projects

Actual: **34** // Target: **40**

9. Community economic construction projects

Actual: **8** // Target: **25**

10. Customer survey

Actual: **84%** // Target: **90%**

# KPM Changes Requested

- **Delete KPM 5:**  
# and \$ of federal contracts awarded to businesses receiving help from GCAP program (third party).
- **Delete KPM 6:**  
Number of new industrial sites certified as “project-ready.”
- **Add Detail to KPM 1 and 2:**  
Report on additional metrics just summarized in official KPMs.
- **Add NEW KPM:**  
Additional jobs created through property tax abatement programs.
- Add programs to methodology of KPMs 8 and 9

# Strategic Plan Metrics: FY2020

**Jobs created and retained** resulting from Business Oregon's business development activities, specifically accessible jobs, quality jobs, and jobs in rural Oregon.

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**Total Jobs Created**            **811**  
**75% Accessible**  
**33% Quality**  
**28% Rural**

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**Total Jobs Retained**        **1,937**  
**79% Accessible**  
**56% Quality**  
**45% Rural**

**Number of underrepresented firms** using agency financing. Business Oregon is working to track this across programs, including COVID response, but here are three areas:

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## Global Trade

**20%** of the firms receiving direct Global Trade assistance self-reported as women-owned, veteran owned, or social/economic disadvantaged.

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## Government Contract Assistance Program (GCAP)

**56%** of firms using this program to help secure government contracts were women, non-white minorities, or veterans.

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## Certification Office for Business Inclusion and Diversity (COBID)

**2,260** (75%) of COBID's **3,023** certified firms are underrepresented (women, non-white minorities, or veterans).

# BUDGET OVERVIEW

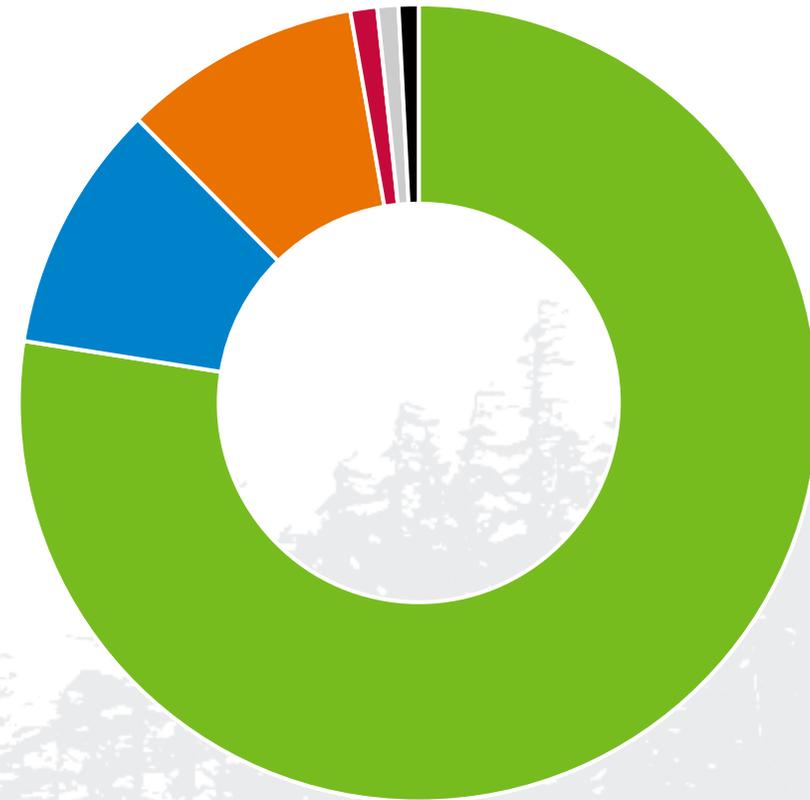
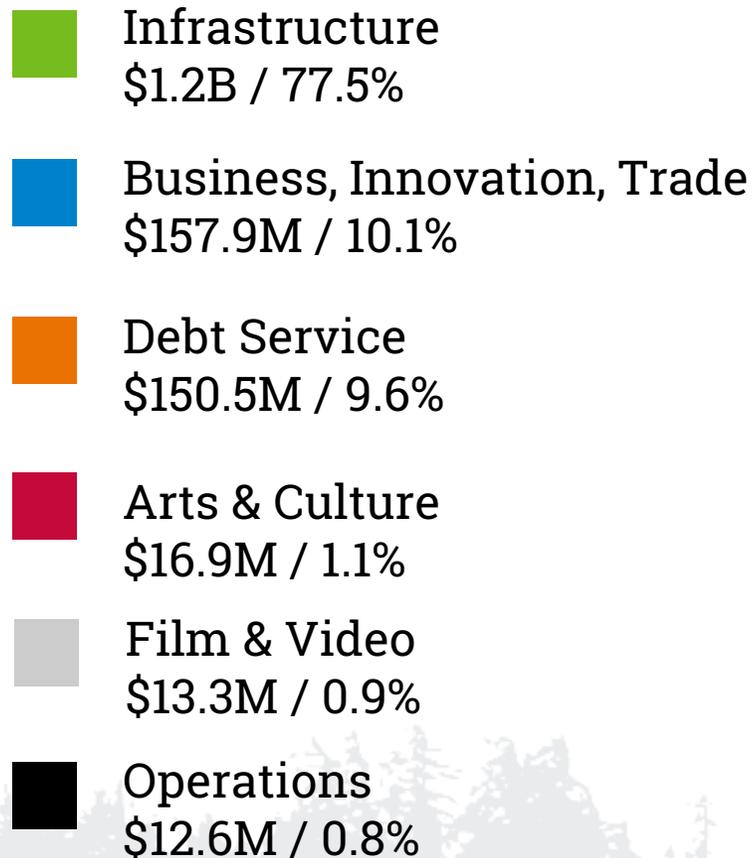
RENEE FRAZIER  
CHRIS CUMMINGS



# Budget / By Division

## 2021-23 Governor's Recommended Budget

Total budget: \$1.56 Billion / 142.10 FTE

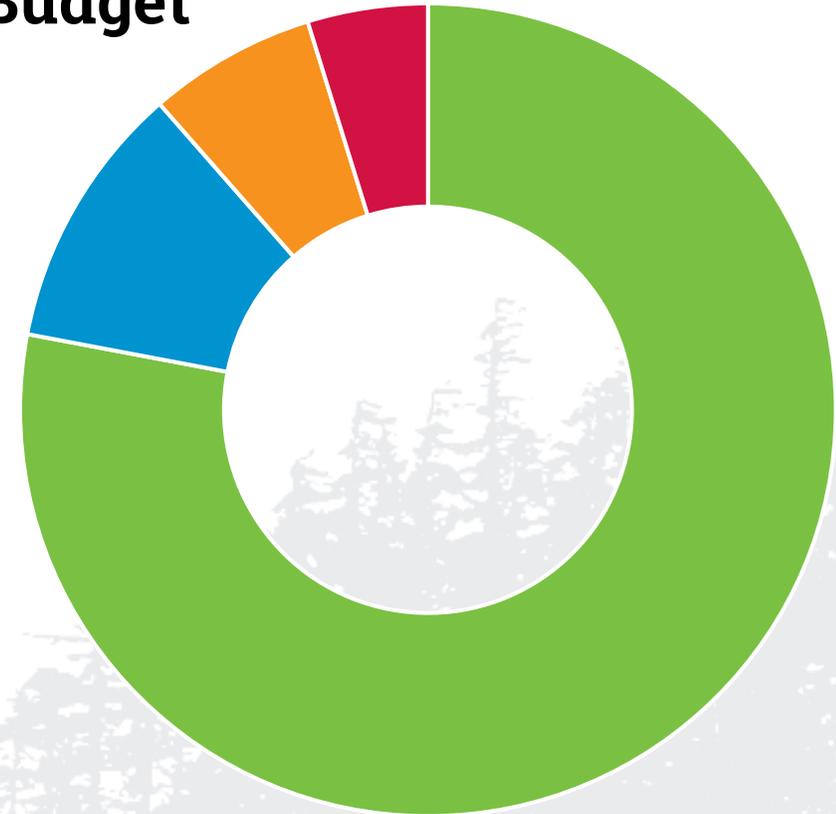


# Budget / By Fund type

## 2021-23 Governor's Recommended Budget

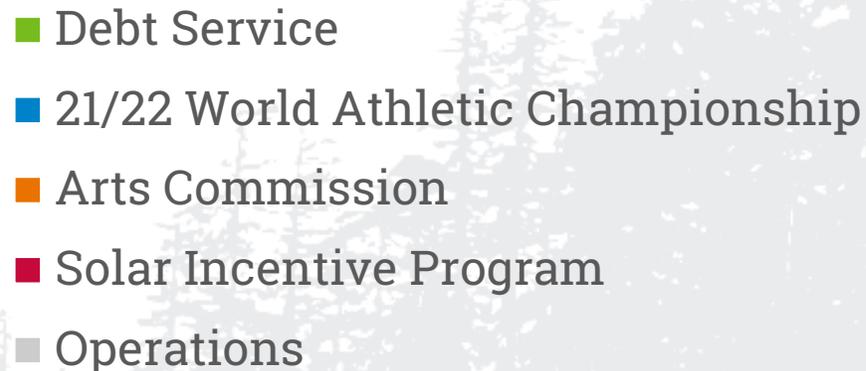
Total budget: \$1.56 Billion / 142.10 FTE

-  Other Funds  
\$1.2B / 77.9%
-  Lottery Funds  
\$165.1M / 10.6%
-  General Funds  
\$104.0M / 6.7%
-  Federal Funds  
\$74.4M / 4.8%



# GRB General Funds

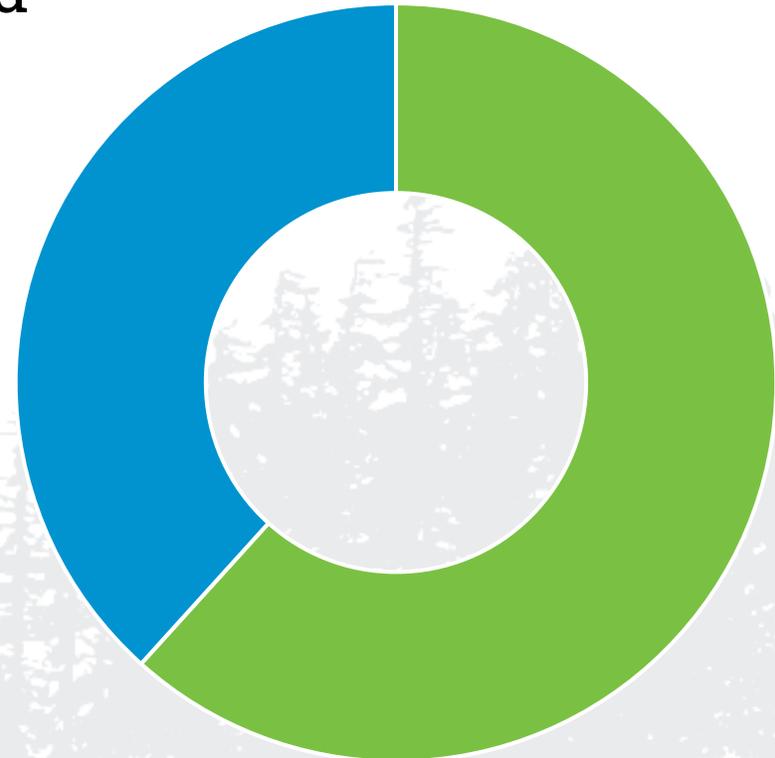
- **\$104M** in total budget from General Fund
  - **\$87.2M** for General Fund Debt Service (seismic GO bonds)
  - **\$10M** for the 2021/22 World Athletic Championship
  - **\$3.7M** for the Arts Commission
  - **\$2.7M** for the Solar Incentivization Fund
  - **\$360K** for Operations



# GRB Lottery Funds

- **\$165.1M** total budget from Lottery Funds
  - **\$101.9M** Lottery Funds for operations and programs
  - **\$63.2M** Lottery Fund Debt Service (on Lottery Bonds)

■ Ops/Program  
■ Debt Service

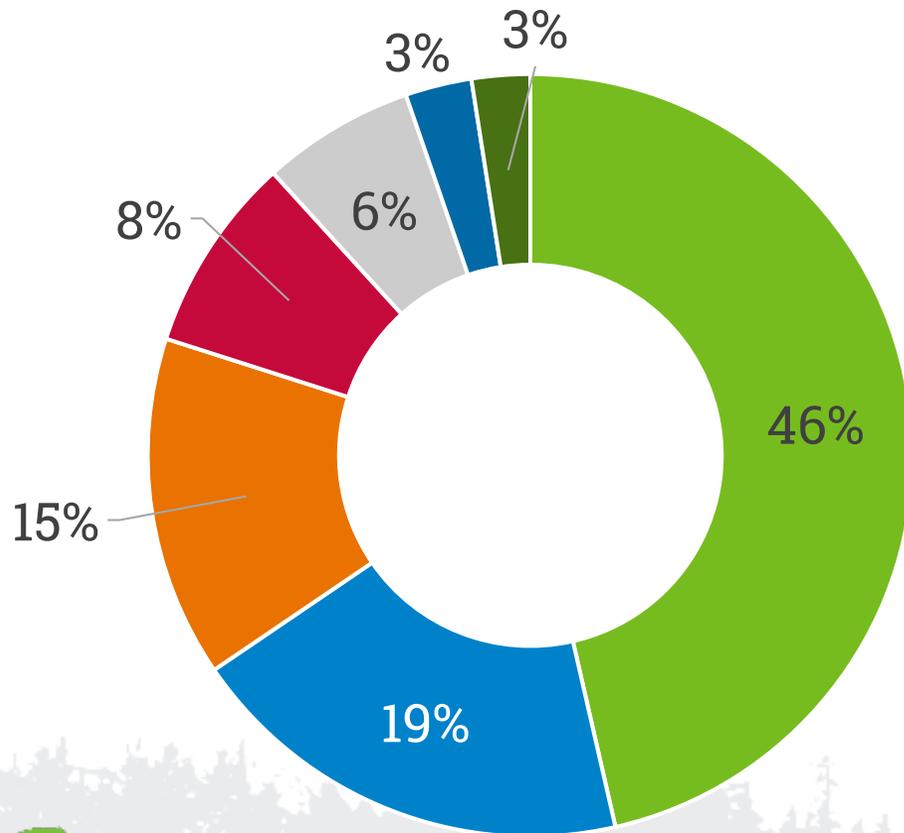


# How Lottery Funds are Used

- **55.4%** (\$91.4M) Business Lending, Investments & Cash Incentives
- **38.3%** (\$63.2M) Debt Service
- **5.5%** (\$9.2M) Operations/Administration
- **0.8%** (\$1.3M) Film & Video

# GRB Other Funds

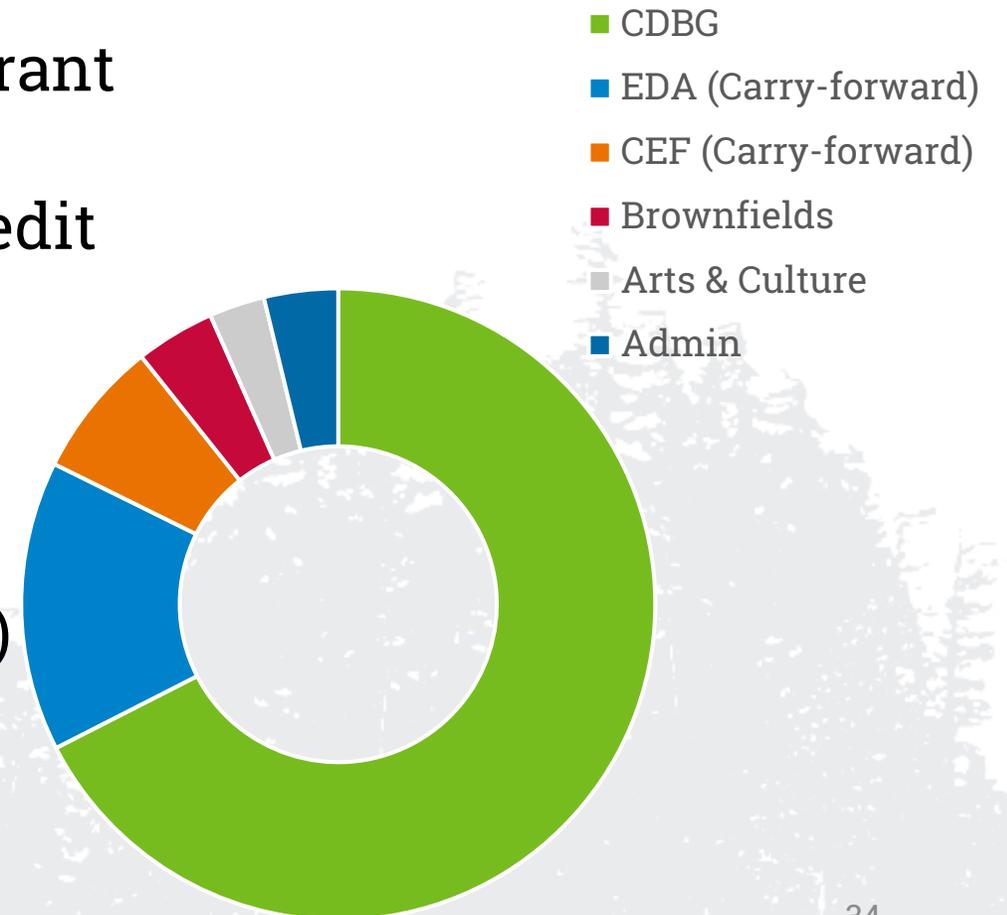
- **\$1.2B** total budget from Other Funds



- \$564.9M / GF Obligation Bonds/COP
- \$231.8M / Lottery Bond Proceeds
- \$176M / Beginning Balance/Other Revenues
- \$101.3M / Transfers-Intrafund & Other Agencies
- \$78.5M / Loan Repayments
- \$34.2M / Interest earnings on fund balances
- \$30M / Revenue Bonds

# Federal Funding

- **\$74.3m** total budget from Federal Funds
  - **67%** U.S Community Development Block Grant (CDBG)
  - **15%** U.S. Treasury State Small Business Credit Initiative (Carry-forward CEF Loan Guarantees)
  - **7%** EDA Grant Funds (Carry-forward)
  - **4%** U.S. Environmental Cleanup Fund
  - **3%** National Endowment for the Arts (NEA)
  - **4%** Administrative



# Significant Drivers of Budget Growth

Total growth: **\$195.1M** (14.3%) Increase from 2019-21 LAB to 2021-23 GRB

Primary Factors:

- Infrastructure
  - Seismic (related to unreinforced masonry buildings)
  - Wildfire recovery grants
  - Broadband
- Business, Innovation, and Trade
  - Increased access to capital
  - Loan program for COBID certified businesses
- Regional Infrastructure Fund

# GRB Reductions: Lottery & General Fund

Description	Reduction
Strategic Reserve Fund	(\$606,476) Lottery Funds
Industry Competitiveness Fund	(\$490,000) Lottery Funds
Solar Incentive Fund	(\$526,974) General Funds
Oregon Manufacturing & Innovation Center	(\$2.7M) Lottery Funds
Small Business Development Centers	(\$1.8M) Lottery Funds
Oregon InC (inflation)	(\$137,371) Lottery Funds
Infrastructure Policy Analyst 4 (Industrial Lands)	(1.0) FTE
Arts Executive Support Specialist 2 (vacant)	(.50) FTE
Arts Policy Analyst 3 (vacant)	(.40) FTE
Infrastructure Program Analyst 3 (Seismic, vacant)	(.50) FTE

# Budget Risks

- Lottery and General Fund Shortfalls
  - In special session Business Oregon took significant reductions in Lottery Funds (16%) and General Funds (44%) in its 2019-21 budget stemming from revenue shortfalls caused by the pandemic. The shutdown of lottery gaming exhibited the risk to budgeted agency funds, should the pandemic or other emergencies again impact 2021-23.
- Bond Sale Cancellation
  - Without bond proceeds, Business Oregon cannot recapitalize SPWF and Brownfields programs, which limits ability to meet community needs. In 2019-21 bond sales were cancelled. If these programs are not recapitalized later in 2021, the programs are estimated to be out of funds by 2023.

# POPS AND OTHER ADDITIONS TO GRB

CHRIS CUMMINGS

RENEE FRAZIER

# 2021-23 GRB Policy Option Packages

Policy Option Package Description	GRB Amount
POP 101: <b>Technology Modernization</b>	\$0.5M Lottery Funds and General Funds, 2 FTE
POP 103: <b>Rural Opportunities Initiative</b>	\$2M Lottery Funds
POP 105: <b>Brownfields Redevelopment Fund</b>	\$10M Lottery Bonding
POP 106: <b>Seismic Rehab Grant Program</b>	\$160M G.O. Bonding
POP 107: <b>Special Public Works Fund</b>	\$50M Lottery Bonding
POP 108: <b>Global Trade Representation Expansion</b>	\$0.3M Lottery Funds
POP 109: <b>Budget Alignment</b>	\$0.1M Other Funds
POP 110: <b>Regional Infrastructure Fund</b>	\$40M Lottery Bonding
POP 111: <b>Technical Assistance for Underrepresented Businesses</b> (Aligns with Racial Justice Council recommendations)	\$9M Lottery Funds

# POP 101: Technology Modernization

- Amount in GRB: **\$544,500** Lottery Funds & General Funds, 2 FTE
- Furthers the Business Oregon Modernization Program
- Creates an online, external, public-facing system for a customer dashboard and online application process for customers to apply for resources such as loans, grants, bonds, and tax-incentives, and manage corresponding awards.

# POP 103: Rural Opportunities Initiative

- Amount in GRB: **\$2M** Lottery Funds
- The Rural Opportunity Initiative (ROI) is one of Business Oregon's strategies to empower rural communities to support entrepreneurs and small business growth.
  - Financial support
  - Innovative partnerships
  - Network expansion
  - Access to business development resources

# POP 105: Brownfields Redevelopment Fund

- Amount in GRB: **\$10M** Lottery Bonding
- Fund needs capitalization to allow for continued financing to clean and develop environmentally contaminated property.
  - Ability to provide financing assistance to public and private owners of environmentally contaminated property.
  - Provides an integrated planning grant for strategically coordinating resources and aligning community support

# POP 106: Seismic Rehab Grant Program

- Amount in GRB: **\$160M** General Obligation Bonding
- Continue rehabilitation of schools and emergency service buildings identified as high risk of catastrophic damage in seismic event.
  - **\$110M** Article XI-M related to seismic retrofit needs of schools
  - **\$50M** Article XI-N related to seismic retrofit needs of emergency service buildings

# POP 107: Special Public Works Fund

- Amount in GRB: **\$50M** Lottery Bonding
- Fund needs capitalization to address infrastructure needs across the state.
- As Business Oregon works with communities, it maintains a pre-award list of about \$50M worth of projects in the pipeline.
- SPWF is used for:
  - Extension of essential public infrastructure (water, sewer, storm water, fiber/broadband, and roads) needed to secure firm business commitments
  - industrial land planning
  - emergency rebuilding of damaged infrastructure
  - Subsequent funding for the Water Waste/Water Financing Program, Community Development Block Grant, and Safe Drinking Water programs

# POP 108: Global Trade Representation Expansion

- Amount in GRB: **\$300,000** Lottery Funds
- Expand Trade and Investment programs' international footprint to include Canada.
- Contract services
  - Represent Oregon small business exporters, and food and agriculture producers and processors.
  - Support business development and lead generation from Canadian firms looking to expand into the United States.

# POP 109: Budget Alignment

- Amount in GRB: **\$129,790** Other Funds
- Realign organizational resources within the Department and implement position reclassifications as work flow changes within the divisions.
- Impacts 12 positions within the agency.

# POP 110: Regional Infrastructure Fund

- Amount in GRB: **\$40M** Lottery Bonding
- Aligns with recommendations of the Racial Justice Council
- Projects within this fund support job creation and other locally-driven economic development goals through grants to projects prioritized by leaders in each of the 11 economic regions.
- All projects are specified and recommended by the Regional Solutions Advisory Committee including creating the criteria for decision making

# POP 111: Access To Capital - Technical Assistance for Underrepresented Businesses

- Amount in GRB: **\$9M** Lottery Funds
- Increase technical assistance to underrepresented businesses by funding culturally-specific organizations to increase their technical assistance capacity.
  - Addresses historic inequities and improves economic security for women and people of color
  - Competitive grant program

# Other Additions in GRB

Description	Funding
<b>Broadband Infrastructure</b> (aligns with Racial Justice Council, State Health Improvement Plan, & Climate Change Adaptation Framework recommendations)	\$100M COP Funding
<b>Seismic Work Related to Unreinforced Masonry Buildings</b>	\$50M Lottery Bonding
<b>World Athletic Championships (Oregon 2021/2022)</b>	\$10M General Funds
<b>Wildfire Recovery Assistance</b>	\$47M Lottery Bonding
<b>Access to Capital - Loan Loss Reserve Program</b>	\$10M Lottery Funds
<b>Access to Capital - Loan Program for COBID Certified Small Businesses</b>	\$10M Lottery Funds

# Carryover Items from 2019-21

- City of Sweet Home - Wastewater Treatment Plant Upgrade (GF)
- Confederated Tribes of Warm Springs – Wastewater (GF)
- Tide Gates and Culverts, Repair and Replacement (LF)

# Agency Requested Bills

There are three bills Business Oregon is proposing to improve its service delivery this legislative session:

- **SB 43** – Film and Video Office incentive sunset extension
- **HB 2037** – Access to Capital: Oregon Business Development Fund (small business loan fund) lending limit increase
- **HB 2038** – Access to Capital: Entrepreneurial Development Loan Fund (entrepreneur business loan fund) lending limit increase sunset extension

# PROGRAM OVERVIEW

# ARTS & CULTURE

BRIAN ROGERS



# Arts and Culture – Oregon Arts Commission and Oregon Cultural Trust



- The mission of the Oregon Arts Commission is to enhance the quality of life for all Oregonians through the arts by stimulating creativity, leadership and economic vitality.
- The Oregon Cultural Trust's mission is to lead Oregon in cultivating, growing and valuing culture as an integral part of communities.



# Oregon Arts Commission

- Operating Support
  - Provides ongoing operating support to nonprofit arts organizations of all budget sizes.
- Arts Learning
  - For nonprofit organizations to provide K through 12 arts programming.
- Arts Build Communities
  - For arts and other community-based organizations to address local community need through arts-based projects. This program recognizes the role that the arts play in the broad cultural, social, educational, economic and tourism sectors of community life.



# Oregon Arts Commission

- Individual Artist Fellowships
  - Honor Oregon's professional artists and their achievements while supporting efforts to advance their careers.
- Career Opportunity
  - Supports artists by enabling them to take advantage of timely external opportunities to enhance their artistic careers.
- Poetry Out Loud
  - National arts education program that encourages the study of great poetry by offering free educational materials and a dynamic recitation competition for high school students across the country.



# Oregon Arts Commission

- Percent for Art
  - Guided by Oregon's Percent for Art legislation, the Arts Commission manages the state's Percent for Art Program, which places art in public buildings throughout the state.
- Governor's Arts Awards
  - Governor's Arts Awards recognize and honor individuals and organizations that have made exemplary contributions to the arts in Oregon.
- Art in the Governor's Office
  - Honors selected artists in Oregon with exhibitions in the reception area of the Governor's Ceremonial Office in the State Capitol Building.



# Oregon Arts Commission

- CARES Act Funding for Arts Organizations
  - National Endowment for the Arts awarded \$452,000 enabling increase of 150 Arts Operating Support Grants.
- Artist Relief Funding Program
  - Partnership with Oregon Community Foundation and the James F. and Marion L. Miller Foundation created a \$1.25 million to fund 646 diverse artists across the state.

Eugene-  
Springfield Youth  
Orchestras Online  
String Academies



A student happily receives her violin and music during the Eugene-Springfield Youth Orchestras' recent Instrument Pickup Day.



# Oregon Cultural Trust

- Cultural Development Program
  - For nonprofit cultural organizations to recognize and support significant cultural projects that preserve and enhance Oregon's diverse arts, history, heritage, preservation and humanities efforts.
- County and Tribal Cultural Coalitions
  - For Coalitions to prioritize community cultural goals and annually distribute seed grants that address the needs of each county. Annually the Coalitions award approximately 450 local grants.
- Statewide Cultural Partners
  - Support cultural access and programming across Oregon in partnership with the Oregon Arts Commission, Oregon Humanities, Oregon Heritage Commission, Oregon Historical Society and State Historic Preservation Office.



# Oregon Cultural Trust

- Organizational and Professional Development Program
  - Strengthens cultural non-profit leadership and organizational effectiveness to better serve Oregon's cultural community.
- Poet Laureate
  - The Oregon Poet Laureate fosters the art of poetry, encourages literacy and learning, addresses central issues relating to humanities and heritage, and reflects on public life in Oregon.
- Unique Cultural State Tax Credit
  - Encourages donations to one or more of Oregon's 1,400+ cultural organizations and a matching donation to the Cultural Trust to qualify for a 100% state tax credit on the Trust donation.

Chetco Indian  
Memorial, Brookings



Milo Mann stands next to the newly installed statue of Lucy Dick. He is a Chetco/Tututni descendant and serves as vice president for the Chetco Indian Memorial Project. Photo by Linda Pinkham.

# OREGON FILM

TIM WILLIAMS

19. Portland



A graphic design for 'MovieMaker 2021'. It features a black camera lens icon with 'MovieMaker' written inside, and a red film strip with '2021' on it. Below this, the text 'BEST PLACES TO LIVE &amp; WORK AS A MOVIEMAKER' is displayed in large, bold letters. The background includes a yellow film strip and a stylized city skyline at the bottom.

10. Ashland, Oregon



[OregonFilm.org](http://OregonFilm.org)



# Description & Mission

The Oregon Film & Video Office (OFVO) is a semi-independent state agency, created by statutory authority under ORS 284.300 to 285.375.

The mission of the Film & Video Office is to promote statewide development of the film, video and multimedia industry in Oregon and to enhance the industry's revenues, profile, and reputation within Oregon and among the industry nationally and internationally.

## Current Bills & Policy Requests

SB43 - Incentive Sunset Extension  
HB3010 - DEI Policy and Reporting Requirement  
LC3329 - OPIF Expansion

## Lottery Funded Budget

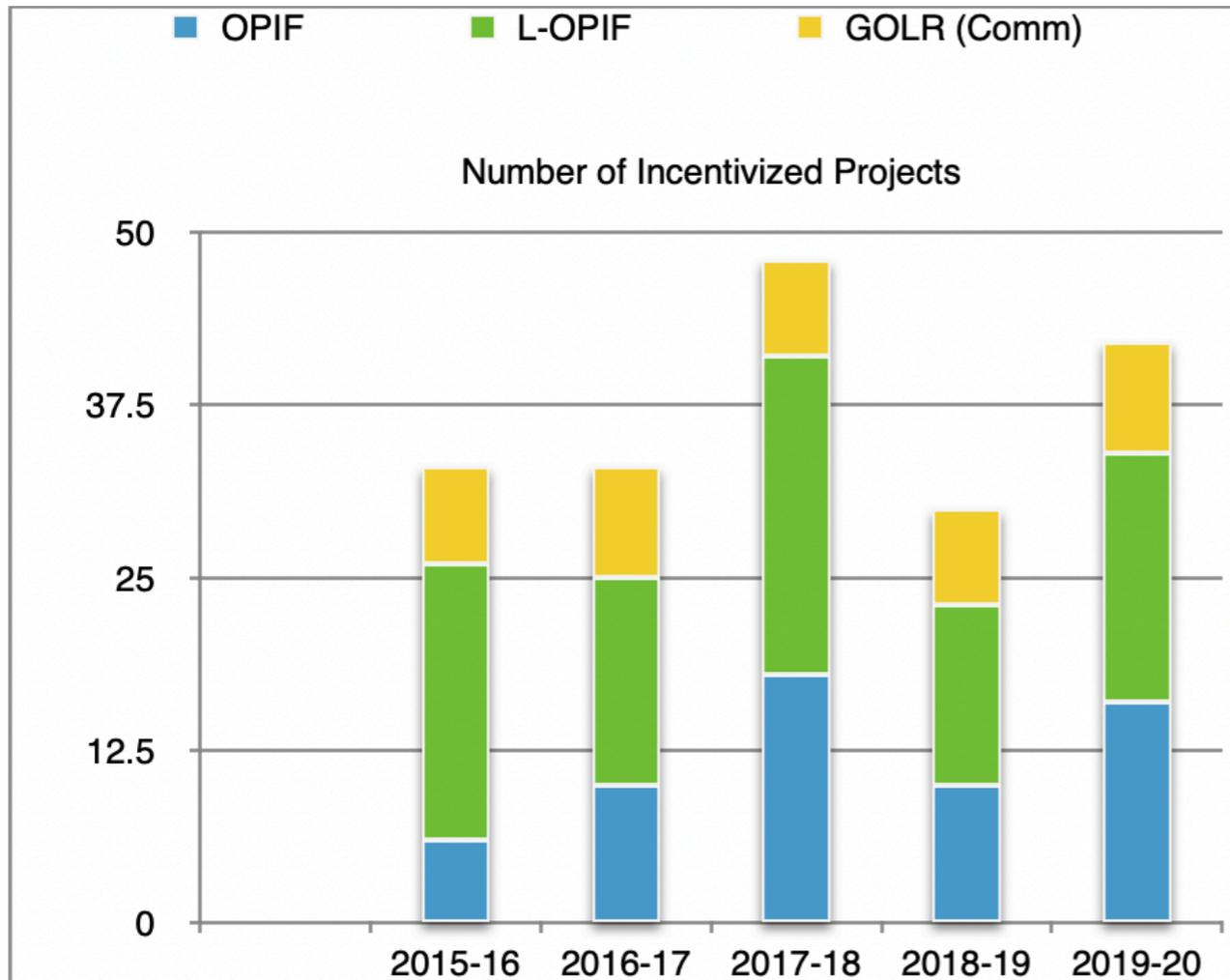
2019-21: \$1,253,432  
*(Reduced to \$1,147,482 in August 2020)*  
2021-23 Requested Budget: \$1,307,330



[OregonFilm.org](http://OregonFilm.org)

**OREGON  
FILM**

# Production Incentives



**Tracked Incentivized Projects**

**Oregon Production Investment Fund (“OPIF”)**  
**Local OPIF**  
**Regional OPIF**  
**Greenlight Oregon Labor Rebate**

**Biennium 2017-2019**  
**\$280M of Tracked In-State Spending**  
**8000 Tracked Jobs**  
**64 tracked Projects**  
**Development of In-State Commercial Production**

**FY 2019-2020**  
**\$111M of Tracked In-State Spending**  
**3000 Tracked Jobs**  
**35 tracked Projects**



# Economic Recovery

## Oregon Production 2020:

- Shut down in March 2020
- Protocols developed in April, first published in May
- Interactive and Animation projects begin to work remotely in April
- “Chad” (TNT) returns in July
- “The Birch” in August
- “Top Chef,” Untitled Netflix, “Shrill” (S3) in Sept

“The Birch” \$40+k in hotel spending in Columbia County



Life & Culture

## ‘Top Chef’ is back, and the new season is based in Portland

Updated Sep 30, 2020; Posted Sep 28, 2020

“Shrill” and “Top Chef” spending in Maupin, Hood River and North Coast

“Top Chef” 7000 hotel room nights

Aidy Bryant celebrates 'Shrill' Season 3 wrap: 'I love this cast'

## Guillermo del Toro’s Portland-Filmed “Pinocchio” Adaptation Has Cast Some Huge Names to Provide Voices

Del Toro's adaptation of the Italian fable began production last year and has continued through the pandemic.

Q3 + Q4 2019 = \$65M in direct spending

Q3 + Q4 2020 = \$67.3M in direct spending

Untitled Feature in Coos Bay and Gold Beach



[OregonFilm.org](http://OregonFilm.org)

**OREGON  
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# Grants & Workforce Development

## Past #OregonMade Grants & Projects

Tell Your Story Grant - 2021  
Outdoor Adventure Film Grant - 2020  
Food Stories Grant - 2019  
The Portland Circuit (November) - 2019  
Portland Post Production Grant - 2019  
PLAYA Screenwriter's Residency Award - 2019  
Outdoors & Health Grant - 2019  
The Portland Circuit (July) - 2019  
The Oregon Documentary Camp Fellowship - 2019  
The Portland Circuit (May) - 2019  
Outdoor Adventure Film Grant - 2019  
The Magical Winter Season Grant - 2018  
The Portland Circuit (Oct) - 2018  
The Portland Post-Production Grant - 2018  
Lower Boom Writer's Diversity Program - 2018  
PLAYA Screenwriter's Residency Award - 2018  
ShadowMachine Animation Apprenticeships - 2018  
Outdoor Adventure Film Grant - 2018



[OregonMade.org](http://OregonMade.org)

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# Oregon Film Trail

THE OREGON FILM TRAIL

HOME ABOUT MAP LOCATIONS CONTACT

## THE OREGON FILM TRAIL

EXPLORE NOW [\(MAP LINK\)](#)

### SOMETIMES A GREAT NOTION

1971

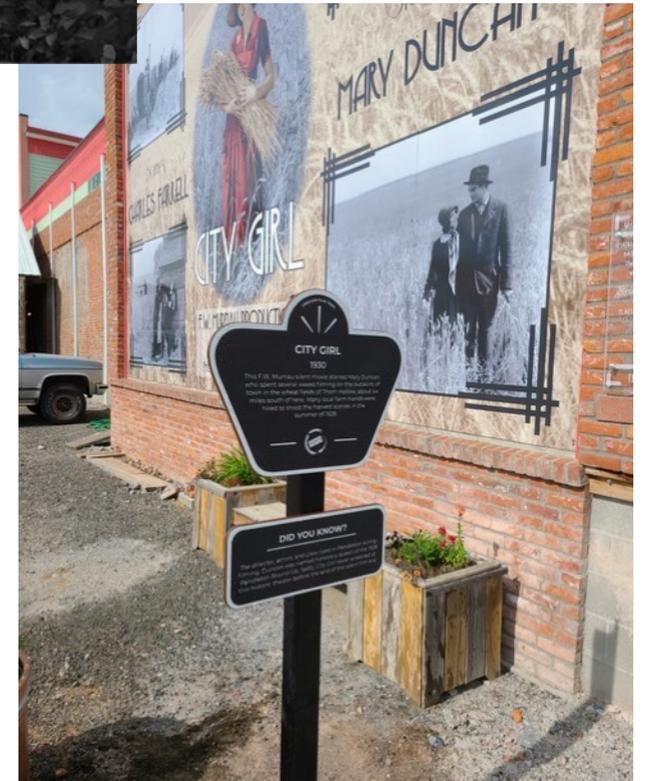
### POINT BREAK

1991

Indian Beach stood in for Bells Beach, Australia, in the stormy finale of "Point Break" where Keanu Reeves and Patrick Swayze had their final showdown.

#### DID YOU KNOW?

"Twilight" characters, Jacob and Bella, walked along the sands at Indian Beach to their special "driftwood tree."



[OregonFilmTrail.com](http://OregonFilmTrail.com)

**OREGON  
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# Legislative Briefing (on OLIS)

## OREGON FILM & VIDEO OFFICE

Legislative Briefing – Ways & Means [2019-2021 Biennium]



### STATUTORY AUTHORITY AND MISSION

The Oregon Film & Video Office (OFVO) is a semi-independent state agency, created by statutory authority under ORS 284.300 to 285.375.

The mission of the Film & Video Office is to promote statewide development of the film, video and multimedia industry in Oregon and to enhance the industry's revenues, profile, and reputation within Oregon and among the industry nationally and internationally.

### WHAT WE DO

With a staff of four FTE and an originally adopted 2019-2021 biennial budget of \$1,253,432 that was then reduced to \$1,147,482 in August of 2020, we:

- Market Oregon as a filming location, retain in-state productions, recruit out-of-state productions, and serve as a liaison to the productions to help connect, navigate permits, access or other production-related concerns
- Support and build on a thriving #OregonMade film, video, and multimedia industry; celebrate and promote Film, Television and Media production as a historic cultural asset to Oregon
- Administrate Oregon Production Investment Fund (OPIF) and Greenlight Oregon (GOLR) incentive programs
- Support and advise the state's public and private higher educational institutions as they prepare their students for a future in the media industry
- Track and report on the economic impact of the industry and industry-related programs
- Work with other governmental entities to create and streamline filming regulations
- Build partnerships with local communities, private industry and other state agencies
- Serve as a spokesperson for the industry, both within and outside of the State
- Event sponsorship, participation and promotion
- Direct community development and support

### BENEFITS TO OREGON

OFVO commissioned an updated Economic Development report for 2021 through PSU's NERC. This can be found on the "About Us" page of our website ([OregonFilm.org](http://OregonFilm.org))

The film and video industry benefits Oregon in a wide variety of ways:

- **Economic Impact.**  
**\$280M Tracked Qualified Spending on Film and Media Production in Oregon for the 2017-2019 Biennium impacting more than 8,000 jobs. The 2019-2021 Biennium is currently tracking in a similar fashion.**  
**The above numbers do not include many commercial productions which do not come through the incentive system and still shoot here in the state. These short productions vary in size from a few thousand dollars to several hundred thousand.**
- **Industry revenue is spread throughout various sectors of the economy.** The average film or television production does significant business with hundreds of local vendors per production including hotels, rental cars, lumber yards, hardware stores, office supplies, clothing stores, furniture and antique stores, grip and lighting equipment, and many more.
- **Economic impact is felt throughout the state.** Although Portland continues to be the home of the majority of the total output, the impact is felt statewide with features like THE RENTAL (Bandon), PHOENIX, OREGON (Klamath Falls), FIRST COW (Elkton), SHRILL (Maupin), TRINKETS (Cannon Beach), and TOP CHEF (Hood River) which employ cast & crew and engage vendors on a local level for every day of the shooting schedule.
- **The film and television industry provides living wage jobs with benefits.** On the television series that are in production in Oregon, the average hourly wage is over \$25/hour. A full time worker can earn health benefits for up to two years on one television production.
- **Post-COVID Recovery** - The film, television, interactive and commercial production industry was quick to return in July and August of 2020 providing safe jobs for hundreds. This also had a knock-on effects in other industries such as hotels, restaurants, caterers and equipment rentals. By way of example, the television series "Top Chef" paid for 7,000 room nights in local hotels during its shoot in September and October.
- **Promotional value** – Through various strategic partnerships, OFVO has rolled out almost 30 new stops on the Oregon Film Trail. New signs have been placed in places like Joseph, Klamath Falls, Burns, Athena, Cottage Grove marking iconic filming locations and driving film tourism to local communities.

## OREGON FILM & VIDEO OFFICE

Legislative Briefing [2019-2021 Biennium] (cont.)

During the 2019-2021 biennium, the Oregon Film & Video Office has successfully retained, recruited and assisted numerous film and television projects here in Oregon. The following are a few examples of successful projects produced throughout Oregon in the last two years.

### FIRST COW (FEATURE FILM)

This locally produced independent feature is based on a novel by Portland author Jonathan Raymond and shot in Clackamas County, Sauvie Island and Elkton. The film is being tracked for Oscar contention in 2021.

### THE RENTAL (FEATURE FILM)

This thriller directed by David Franco and starring Allison Brie shot in Bandon and was released in the Spring of 2020 achieving #1 Box Office status in the US.

### MISSING LINK (FEATURE FILM)

This critically acclaimed stop-motion animated feature is the fifth from Hillsboro-based Laika.

### SHRILL (SEASON 2)

The Lorne Michaels (Saturday Night Live) produced series for Hulu is based on the book by Seattle writer Lindy West, stars Aidy Bryant and is Executive Produced by Elizabeth Banks. The second season aired in early 2020 while the third series completed shooting in Clackamas County and Portland in the fall of 2020.

### INTERACTIVE GAME DEVELOPMENT

Interactive game companies continue to grow in clusters in places like Eugene, Oregon City, Bend and Newberg. Many of these in-state headquartered companies have utilized our programs to develop and complete numerous original games leading to the growth of a permanent workforce.

### TRINKETS (SEASON 2)

The Emmy Award winning second season of the Netflix series completed its second season in Oregon shooting its final episode on the Oregon Coast.

### WORKFORCE DEVELOPMENT

Partnering with the Oregon Media Production Association, the International Alliance of Stage and Theatre Employees, Outside the Frame and the Portland Film Office, OFVO has placed more than 15 paid candidates onto the various sets and studios in Oregon. These placements focused on members of historically marginalized communities who may not have had the opportunity at these entry level jobs. More than 10 of these placements have continued to work in the industry through the contacts that they made on their initial placement.

### OREGON FILM FESTIVALS

Even as the COVID pandemic took many into a "virtual" space, OFVO also directly supported several of the state's premiere film festivals in places like Bend, Ashland, La Grande, and Klamath in an effort to not only highlight local talent working within the state, but bringing producers, filmmakers and projects into the state for the first time.

### OREGON FILM TRAIL

Working with several strategic partners like the Oregon Made Creative Foundation, Travel Oregon, Oregon State Parks, the Oregon Coast Visitor's Association, the Willamette Valley Visitor's Association and the cities and towns of Athena, Cottage Grove, Joseph and Astoria (amongst others), Oregon Film was instrumental in launching the Oregon Film Trail. The Film Trail consists of physical signs placed in close approximation to iconic shooting locations. It supports and highlights the cultural significance to Oregon's history as well as encourages local tourism into smaller communities.

### ANIMATION

Since the 1970's, Oregon has cultivated a hub for quality animation. And now it is a recognized leader in the animation community worldwide. Leading the way is Laika who released its critically acclaimed MISSING LINK during the Biennium while other local companies like House Special, Bent Image Labs and Hinge Digital continue to create quality, award winning animated content for a rapidly growing audience. Animation is now an internationally recognized export commodity for Oregon, and even established companies are finding a home here - Netflix currently has three animation projects in production in Oregon including Guillermo del Toro's PINOCCHIO produced by ShadowMachine and the Jordan Peele produced WENDELL & WILD.

### GRANTS AND OPPORTUNITIES

Creating opportunities in the media industry has been a driving force in OFVO's efforts and, to this end, we have worked closely with the non-profit Oregon Made Creative Foundation to identify partnerships and funding sources for a series of grants given out to local creators. Most recently OFVO and OMCFF have partnered with Travel Oregon and RACC to award three "Tell Your Story" Grants (\$30,000) and the fourth annual "Outdoor Adventure Film Grant" (\$20,000) to a group of filmmakers from Ashland.

### PARTNERSHIPS

OFVO has relied on many strategic partnerships to create opportunity and recognition for the creative industry as a whole. These partnerships include both financing and resources being shared. Organizations like the Oregon Media Production Association, Travel Oregon, Oregon State Parks, RACC, Oregon Coast Visitor's Association, Willamette Valley Visitor's Association, the cities of Brownsville, Eugene, Joseph, Cottage Grove, Athena and the City of Portland and the Portland Film Office (just to name but a few) have all partnered with OFVO in some form to bring money and opportunity to our community and industry.

For more information, visit [oregonfilm.org](http://oregonfilm.org).



[OregonFilm.org](http://OregonFilm.org)

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# BUSINESS PROGRAMS

CHRIS CUMMINGS



# Business Development Incentives

- Enterprise Zone
  - Property tax abatement for 3-5 years, or longer in rural zones. New expansions only, traded-sector businesses.
  - Abated tax revenue will represent an estimated 0.73% of property tax revenue in Oregon in 2021-23 (Oregon Annual Tax Expenditure report).
- Strategic Investment Program
  - Property tax abatement to entice very large investments. Minimum \$25M investment in rural areas, \$100M in urban. 15 year period.
  - Still pay tax on first \$25-\$100M, plus local community service fee.

# Business Development Incentives

- Strategic Reserve Fund *9 Projects / \$3.2M*
  - Flexible tool often used as forgivable loans helping businesses expand in Oregon and for community and industry-wide assets such as job training or shared research and development facilities.
- Business Expansion Program *1 Project / \$1.6M*
  - Cash incentive based on the estimated increase in new personal income tax revenue resulting from the new hires.
- Oregon Investment Advantage *7 Projects*
  - Available in some rural Oregon counties, provides a corporate income tax savings over several years after new expansion.

# Small Business Financing

- Oregon Business Development Fund *3 Projects / \$2.8M*
  - Direct loans for small businesses needing access to capital, up to \$1M.
- Entrepreneurial Development Loan Fund *4 Projects / \$155K*
  - Direct loans for early-stage entrepreneurs launching a business, up to \$75K.
- Oregon Royalty Fund *1 Project / \$100K*
  - Newer program to help early stage, scalable small businesses obtain short-term working capital to support rapid growth. Repayments based on revenue growth.

# Small Business Financing & Revenue Bonds

- Credit Enhancement Fund *21 Loans / \$19.8M*
  - Loan guarantee for private lenders, to open up lending to more small businesses. Guarantees up to 80% of loan.
- Capital Access Program *5 Loans / \$716K*
  - A form of loan portfolio insurance to banks so they may make business loans that carry higher risk.
- Industrial Development Bond Program *1 Project / \$110M*
  - Low-interest bond financing for manufacturing and solid waste facilities, privately funded, not state-guaranteed.

# Global Trade & Recruitment

- Export Assistance Programs *66 Grants / \$292K*
  - Small (up to \$10k) matching grants to help small businesses attend overseas trade shows and state-led missions to grow revenues from overseas sales.
- Access to Partner Services and Export Basics
  - Trade specialists assist businesses in navigating tools, services and other export financing options required to succeed in global marketplace.
- Business Recruitment
  - Business development specialists assist companies looking to relocate to Oregon. Services include helping find potential locations with the ideal workforce, resources and requirements they need.

# Certification Office for Business Inclusion and Diversity (COBID...*not COVID*)

- Emerging Small Business (ESB)
  - For businesses seeking contracting opportunities with federal, state, and local government agencies as well as special jurisdictions (e.g., hospitals and universities).
- Minority/Women Business Enterprise (M/WBE)
  - For businesses seeking contracting opportunities with state, county and city governments, and special jurisdictions (e.g., hospitals and universities).
- Service Disabled Vet (SDV)
  - For businesses seeking contracting opportunities with state, county and city governments, and special jurisdictions (e.g., hospitals and universities).
- Disadvantaged Business Enterprise and Airport Concessions Disadvantaged Business Enterprise (DBE and ACDBE)
  - For businesses seeking federally-funded transportation-related contracting opportunities.

# INNOVATION & ENTREPRENEURSHIP

KATE SINNER

# Innovation and Entrepreneurship: Oregon InC

- Signature Research Centers *\$6.4M to 3 centers*
  - The state's three signature research centers (ONAMI, OTRADI, VertueLab) support strategic industry areas including: materials science, clean technology, and biosciences.
  - SRCs provide mentoring, lab and work space, entrepreneurial assistance, university connections, and much more.
- SBIR/STTR Matching Grants & Application Support *\$1.9M for 53 companies*
  - Competitive program that provides matching funds to Oregon SBIR/STTR awardees to fill gaps in funding and/or support additional commercialization activities and application support to increase competitiveness for federal awards.
- High Impact Opportunity Projects (HIOP) *\$1.5M for 4 projects*
  - Projects that support the growth of target industry sectors in Oregon by removing barriers to research and development, product development and testing, technology commercialization, and other aspects of industry innovation.

# Innovation and Entrepreneurship: Oregon InC

- Commercialization Gap Fund *\$2.5M for 15 companies*
  - Investment fund that supports the commercialization of early-stage science and research-based technologies.
- University Innovation Research Fund *\$1.3M for 3 projects*
  - Grant fund that matches federal applied-research grants to Oregon's Public Universities in order to increase university competitiveness for federal research awards.

# Innovation and Entrepreneurship: Oregon Growth Board

- The Oregon Growth Board oversees both Oregon Growth Fund and Oregon Growth Account investments
- Oregon Growth Fund (OGF) *\$1.7M to 8 projects*
  - A capital source for smaller or emerging Oregon-based investment vehicles to support the State's strategic economic development priorities.
- Oregon Growth Account (OGA) *\$36M to 9 investments*
  - An investment vehicle designed to earn returns for the Education Stability Fund (ESF) by investing Lottery profits into high-conviction opportunities with potential to stimulate the Oregon economy.

# 2019-2021 BIENNIUM RURAL OPPORTUNITY INITIATIVE COMMUNITIES

Ten unique initiatives elevating rural entrepreneurs and the organizations that support them.

## Mid-Columbia Economic Development District

### Wasco, Sherman, and Hood River counties

To support entrepreneurs from low-income and underrepresented communities with business training, capital, and broadband to increase business resilience.

## Tillamook Coast Visitors Association

### Tillamook County

To perform a site analysis, develop a plan to create a food hub and product delivery system, and create and implement a marketing plan for Oregon's North Coast food products.

## Euvalcree

### Malheur County

To support Latino and Hispanic short-haul freight owner-operators, designed to give competitive advantage to independent entrepreneurs.

## Launch Pad Baker

### Baker County

To increase staff capacity, marketing, and evaluation to better serve entrepreneurs through Launch Pad Baker, a community resource.

## High Desert Partnership

### Harney County

To create an "Idea-to-Ownership" pipeline accessible to entrepreneurs of all ages and stages of business development.

## Klamath IDEA

### Klamath and Lake Counties

To develop a suite of robust online tools to map the local ecosystem and identify gaps.

## City of Independence

### Polk County

To build a shared kitchen, micro-retail marketplace, and community event space.

## City of Cottage Grove

### Lane County

To engage Latino immigrants and high school students in starting food businesses, including a shared food truck where ideas can be tested.

## Northeast Oregon Economic Development District

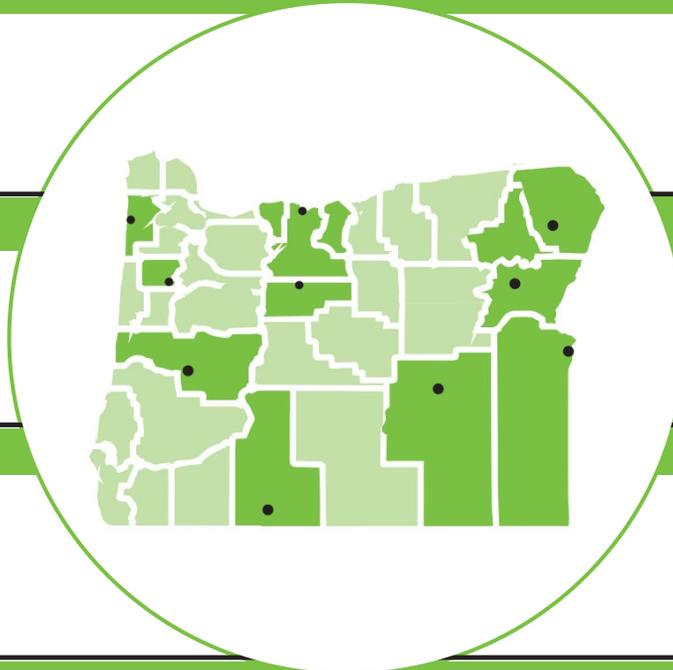
### Union County

To enhance the entrepreneurial ecosystem through classes, competitions, programs for young entrepreneurs, new physical spaces, and a certificate-earning program.

## Warm Springs Community Action Team

### Warm Springs Indian Reservation, Jefferson and Wasco counties

To complete and open the Commissary, which includes a café, Native American art market, office space, and more in Warm Springs.



# Pass-through Funding to Partner Organizations

- Small Business Development Center Network (SBDC) *\$4.42M*
  - Centers provide a variety of services and training to small businesses and entrepreneurs such as business plan development and other necessary first steps toward establishing and growing their business.
- Oregon Manufacturing Extension Partnership (OMEP) *\$1.25M*
  - Not-for-profit team of manufacturing professionals who help manufacturers reduce costs, increase productivity and create jobs by becoming more competitive in the global marketplace.
- Government Contract Assistance Program (GCAP) *\$494K*
  - Works with small businesses to succeed in accessing government contracts.

# Pass-through Funding to Partner Organizations

- Oregon Metals Initiative (OMI) - *\$831K for 18 projects*
  - Supports Oregon's metals manufacturing by leveraging state dollars and Oregon's public research universities to partner with leading metals companies to conduct early-stage research and development. The results of these R&D projects will eventually be incorporated into the companies' manufacturing processes to make operations more efficient and profitable.
- Oregon Metals Innovation Center (OMIC R&D) *\$8.3M*
  - OMIC R&D works to provide solutions to metals and other manufacturing challenges while preparing the industry's workforce through on-the-job learning and serving as a catalyst for regional economic prosperity.

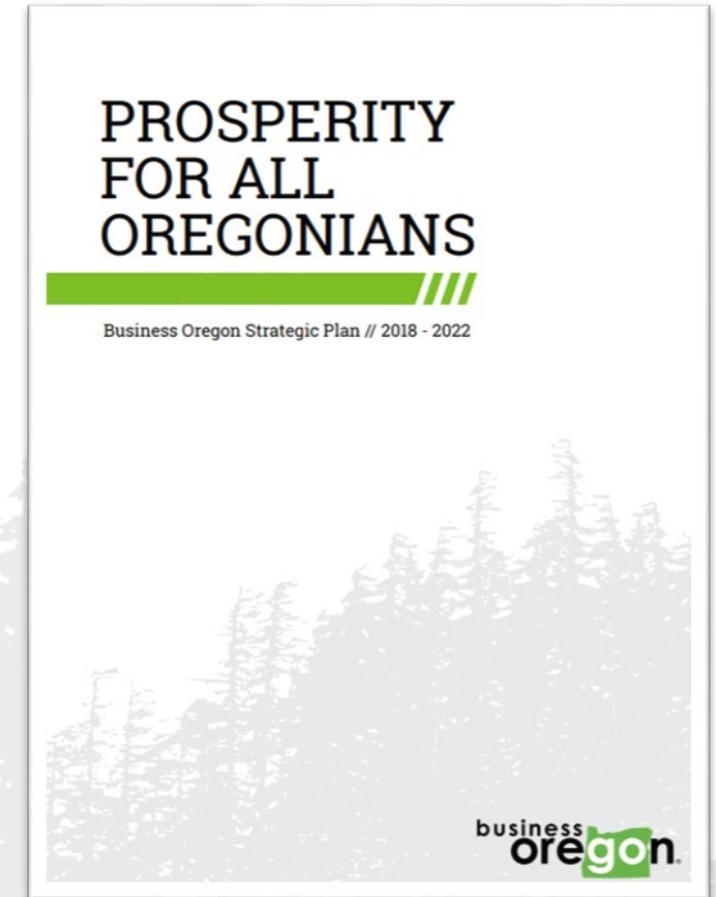
# COMMUNITY DEVELOPMENT PROGRAMS

ED TABOR



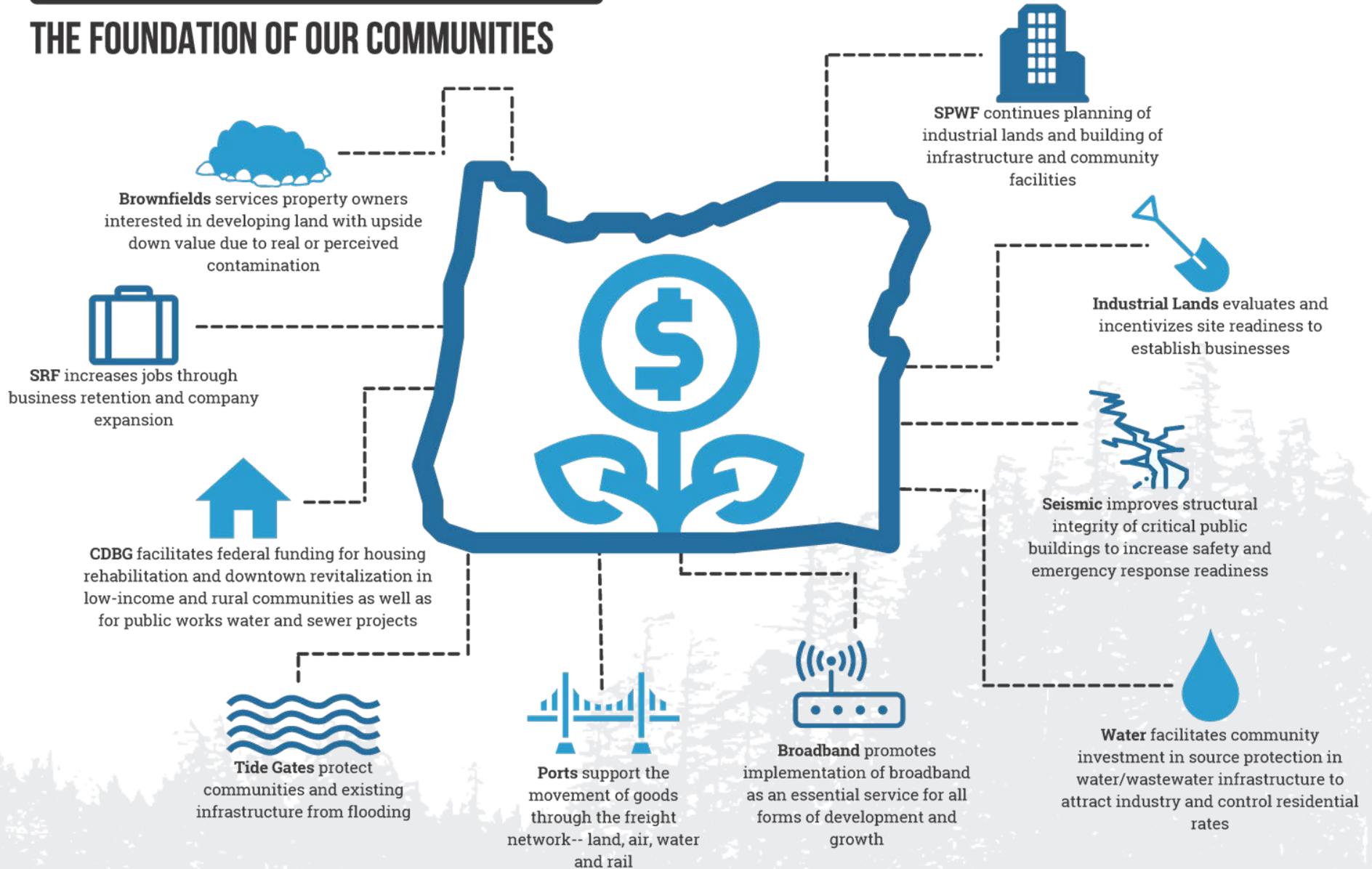
# Infrastructure: Community Foundation

- Oregon has a long and proud history of recognizing infrastructure as a matter of statewide importance
- Infrastructure is the necessary framework to support all walks of life
- Key to providing services, business recruitment, job creation, attracting talent and moving goods
- By supporting community strategies, regional economies are competitive and partnerships are resilient, which informs prosperity for all Oregonians



# INFRASTRUCTURE P&I

## THE FOUNDATION OF OUR COMMUNITIES



# Special Public Works Fund

- Financing for public infrastructure
  - Broadly defined and utilized (Direct funding, matching source, emergencies)
- \$43,705,990 committed to 23 projects this biennium
  - Water/Wastewater an additional \$7,908,000 for 26 projects
- Project Distribution: 20 Rural, 3 Urban
  - Water/Wastewater an additional 25 rural, 1 urban
- Capitalized primarily with lottery bonds and loan repayment
  - Impacted by current revenue status – no funding available by 2023
- **POP #107** - Special Public Works Fund (SPWF) \$50M

# SPWF Leverages Federal Programs

- Community Development Block Grant (CDBG)
  - Grants to municipalities for community projects that primarily benefit low- and moderate- income populations.
- Drinking Water State Revolving Fund
  - Low-cost financing for construction or improvement of public and private water systems.
- Levees
  - Loan and grants for levee projects for the purpose of completing certification or obtaining accreditation by FEMA.

# Brownfields

- Provides state and federal financing through loans and grants to help assess and cleanup contaminated properties
- \$6,295,033 awarded in 2019-21 representing 35 projects
- Fund capitalized through primarily lottery bonds and loan repayment
  - Impacted by current revenue status – no funding available by 2023
- **POP #105** -Brownfields Redevelopment Fund \$10M

# Seismic

- Authorized by the Oregon Constitution
- Allocates grants to make public schools (primary and secondary education) and first responder buildings (9-1-1, medical, public safety) earthquake safe
- Services covered include architecture, engineering, project management, structural and non-structural improvements
- Emerging Theme(s):
  - 2020: \$50M - 100 school applications - \$208M demand
  - 2021: \$50M - 100 school applications - \$202M demand
- **POP #106** - Seismic Rehab Grant Program \$160M

# Additional Infrastructure Programs

- Port Revolving Loan Fund
- Port Planning and Marketing Fund
- Marine Navigation Improvement Fund
- Industrial Lands

# Multi-Biennia Infrastructure Projects

- Warm Springs Water System
- Sweet Home Water System
- Tide Gates
- POP #112

# Broadband

## Different Types of Assistance...

- **Planning:** For projects to organize and engage rural community stakeholders to develop broadband strategic plans for the deployment, adoption, and use of broadband infrastructure in their communities.
- **Engineering:** For projects that have completed plans, a grant may be used for the design and engineering of broadband infrastructure
- **Infrastructure:** For projects that have plans and designs, a grant may be used for the construction of broadband infrastructure.
- **Matching Funds and Application Support:** For use as matching funds and grant application support to help applicants leverage federal or private grants and loans for broadband planning, engineering, and infrastructure projects.



# Oregon Brownfields & Infrastructure Summit

## *Leadership Roundtable*

identifies challenges:

- Aging infrastructure,
- Changing climates,
- Limited resources...
- Taken together impact economic development, competitiveness and quality of life

## *Infrastructure Summit*

presents solutions:

- Coordinate with community,
- Share best information,
- Leverage capital reserves and borrowing costs,
- Efficient project management,
- Eye on innovation and resiliency

# IN CLOSING

CHRIS CUMMINGS



# REGIONAL SOLUTIONS

LEAH HORNER

# PUBLIC TESTIMONY