



March 9, 2023

Joint Ways and Means Committee
Oregon Legislature
Salem, Oregon 97301

Dear Co-Chair Steiner, Co-Chair Sanchez, and Members of the Committee,

On behalf of Travel Portland, Metro Council and the Port of Portland, organizations supporting destination marketing and economic development we are eager partners to help revitalize the Portland region's economy. We write today in support for "Elevate Greater Portland," Greater Portland Inc's (GPI) economic development marketing strategy to restore the Portland region's reputation and to help attract, retain businesses and jobs and talent. Please consider supporting this strategy with State funds.

The state's 2022 "Oregon Talent Assessment" contends Oregon's external image may longer be a competitive advantage. While Oregon's natural beauty may still draw prospective employees, it has been harder for employers to tout Oregon's high quality of life. Many interviewees expressed that Oregon's image has been tarnished by perceptions of homelessness, crime in downtowns, and a high cost of living. This image is conspiring against employers seeking to recruit from out of state.

In contrast to reports, much of the Portland region teems with unparalleled lifestyle assets (short drives to the Pacific Coast, Cascade mountains and Oregon wine country), world-class companies (Intel, Nike, Daimler Trucks, Columbia Sportswear, Precision Castparts, etc.), and a diverse, educated workforce to fuel business growth.ⁱ

Traditionally Oregon has focused most of its "outward" marketing on tourism. On September 19, Travel Oregon initiated its second push of its advertising campaign, "Extraordinary is Ordinary." Promoting the state's stunning natural beauty to drive tourism to its seven geographical regions and helping the state's recovery from the pandemic while supporting shoulder season travel. This year Travel Portland launched "This is Portland" a campaign targeting travelers in San Francisco, Los Angeles, Seattle, Eugene and Bend.

It is no secret that tourism marketing increases brand awareness of a destination to visitors but it shouldn't be the only strategy a state or region rely on to generate economic growth. From 2018 to 2021, visitor spending and jobs supported by the tourism industry were down nearly 30 percent.ⁱⁱ Furthermore, just 9% of executives with site selection responsibilities state that their perceptions of an area's business climate were influenced by leisure travel and 27% reported influence by business travel.ⁱⁱⁱ

The state needs a sustained economic development marketing effort to highlight Greater Portland not only as a great place to visit, but also a great place to live, work and do business. In 2022 Q2, the Portland region made up 52.6% of all employment and 60% of all wages in Oregon.^{iv}

The challenge in economic recruiting is that companies don't typically announce that they are thinking about expanding or opening new factories or new offices. Therefore, it is much better to have CEOs, site selection consultants and

prospective talent thinking about the Portland region much earlier, and favorably. That's part of what you try to accomplish with marketing efforts, but that can only be done through financial investments.

Business Oregon, the state's economic development agency spends roughly \$20,000-50,000 annually for business marketing and talent attraction, whereas similar sized markets annually outspend the state - South Carolina (\$5M), Alabama (\$5M) and Tennessee (\$8-10M.)^v Most of Business Oregon's business recruitment and foreign direct investment marketing is in the form of tradeshow, personal meetings set up by paid representatives overseas, and relationship building. Other states' however heavily focus on digital channels such as LinkedIn and other paid social media, including Facebook, Instagram and Twitter, as well as digital banner ads, messages delivered on streaming services, podcasts and search marketing to recruit businesses. The result is visibility as a business location. In 2021, South Carolina's projected new jobs totaled 14,308 with \$3.5 billion in capital investment.^{vi}

Oregon's economic development voice relative to other states is very low and grossly underrepresented. While Oregon employs 15 percent of the national semiconductor workforce,^{vii} Nebraska, Michigan and New York are in the national news pitching themselves as the best place to spark a semiconductor boom.^{viii} One semiconductor project with 700 anticipated jobs has the power to create an estimated impact of \$624 million (employee direct income and sales and output) for the state of Oregon in the first year.^{ix}

With resources for Travel Portland and Travel Oregon limited due to their reliance on lodging taxes, it is critical the Legislature allocate funding to Greater Portland Inc to execute an economic development marketing strategy.

The strategy's core elements will highlight our region's successes, address its challenges and establish a strong business brand through a variety of public relations tactics, social and digital media, and advertising. In doing so, the strategy aims to spur job creation and capital investment by targeting decision makers and talent in the semiconductor, apparel and outdoor, food and beverage, climate tech and bioscience sectors.

Destination marketing helps draw visitors into the region and generate spending to support the local economy. While its counterpart, economic development marketing has long played an integral role in business recruitment and retention. They are both essential tools for showcasing what makes communities great places to live, work and play.

We see a tremendous opportunity to create messaging that will elevate Greater Portland's profile as a good place to grow businesses, specifically tailored to prospective workforce and the business community. There's an urgent need for growth in the Beaver state and that starts with the Portland area.

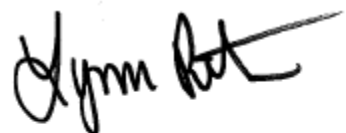
Thank you for your consideration.



Curtis Robinhold
Executive Director



Jeff Miller
President & CEO



Lynn Peterson
Metro Council President



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- ⁱ Portland is the fourth-fastest growing labor market in the U.S., according to an analysis of federal data for the 100 largest metros by The Business Journals. 2021.
- ⁱⁱ Travel Portland. (3 May 2022) State of the Industry. This statement compares one of Oregon’s highest years of visitor spending to the depths of a global pandemic-induced recession
- ⁱⁱⁱ “Winning Strategies for Economic Development. 2011. DCI. Study does not consider the impact of tourism advertising, marketing, and promotion on raising a destination’s profile in the minds of site selection executives, if any.
- ^{iv} Oregon Employment Department QCEW Data
- ^v “EDPNC invests \$2.5M to market corporate relocations.” 23 August 2021. <https://businessnc.com/edpnc-invests-2-5m-to-market-corporate-relocations/>
- ^{vi} South Carolina Department of Commerce. (2021) Annual Report.
- ^{vii} Greater Portland Comprehensive Economic Development Strategy, 2021
- ^{viii} Pettypiece, Shannon. “Biden's semiconductor push has states jockeying for billions in federal cash with dreams of the next manufacturing boom.” NBC News. 29 January 2023.
- ^{ix} JobsEQ Chmura Analytics.2022.