

## Business Oregon News

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### Oregon Facts

#### QUALITY OF PLACE

Oregon is a unique balance of geographic beauty and modern technological development and is well known for an accepting, active culture with a vibrant arts community.

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## Business Oregon News

March 2013 • From *Tim McCabe, Director, Business Oregon*

### Small Business Financing Activity Rose Sharply in 2012

Rural Companies Benefiting the Most from Federal-State Partnership

Oregon is a small business state. In fact, more than 75 percent of the businesses in the state employ between one and nine employees.

We focus our efforts to help small businesses finance expansions, and help find new markets for their products. Our Business Finance team's work has multiplied exponentially in the last two years, in part, due to the infusion of \$16.5 million in State Small Business Credit Initiative (SSBCI) funds from the federal government.

We are nearing the \$5 million mark in our disbursement of the SSBCI funds through low-interest loans and loan guarantees to Oregon small businesses. Rural companies, often located in the areas of highest unemployment in the state, have received 61 percent of SSBCI funds.

Business Oregon has worked with 97 Oregon small businesses to access the business finance programs bolstered with SSBCI funds, and that number continues to rise. Oregon's success in supporting businesses with this fund was highlighted recently by Toby Rittner, President/CEO of the Council of Development Finance Agencies, "Business Oregon is a state agency [that] is cutting-edge, innovative and an example of best practices in our industry."

The number of loan guarantees issued through the Credit Enhancement Fund (CEF) increased 25 percent in 2012 over the previous year. In 2012, Business Oregon helped lenders issue more than \$30 million in loans and the total loan amount rose 57 percent over the same period. This is a great tool we can use to partner with a private lender to leverage all our mutual resources to help business grow.

In addition, the number of new jobs created as a result of the CEF loan guarantees also increased 74 percent. And once again, lending to rural firms predominated with 64 percent of the loan guarantees going to firms in rural areas of the state.

Business Oregon's increased lending activity also is reflected in the federal Small Business Administration's (SBA) statistics for fourth quarter 2012. The Portland District SBA office guaranteed \$123.8 million in loans in the quarter, a 46 percent increase over the same period a year earlier.

"Helping small businesses gain access to capital is an important part of helping them grow and stimulates economic development," said Acting District Director Robert DuCoté, in a [news release](#).

The agency's support for Oregon's small businesses is not limited to loans and loan guarantees. Our Global Strategies team has been highly successful helping Oregon firms access global markets with their products through our support of their trade show appearance with grants from the Oregon Trade Promotion Program (OTPP) and the State Trade and Export Promotion program (STEP) as you'll read further along in this newsletter.

Learn more about:

- ◆ Business Finance Programs
- ◆ Export Assistance Programs

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### Exporting Oregon

2013 STEP Partnerships Introduce Oregon Companies to the World

With the second year of the Oregon State Trade and Export Promotion (STEP) program in full swing, there are several new and exciting partnerships with federal and statewide export assistance providers.

Industry Association Export Grants are now available to Oregon-based trade associations and industry cluster organizations. Organizations may receive up to \$5,000 in STEP grant funding to help them organize and lead an international business mission for their member small businesses.

Business Oregon's Global Strategies team is working with the U.S. Export

## Oregon Firms Exhibit at Middle Eastern Trade Show

Two Oregon defense industry firms, Service Steel of Portland and North River Boats of Roseburg, will use export assistance grants to exhibit their products at this month's IDEX 2013 Defense and Security trade show in Abu Dhabi.

Service Steel, Inc., is a family-owned, steel processing facility located on Swan Island in Portland since 1987. The company sells various stock steel products; however, about 85 percent of its business involves custom cutting of bar, sheet, plate, structural steel, stainless steel, aluminum and Armor plate.

Business Oregon has had an ongoing partnership with the company, in 2011, Service Steel won a five-year, \$60 million contract with a Wisconsin manufacturer of U.S. Army vehicles. The company wanted to stay and expand in Oregon to meet the large order for custom vehicle parts, but doing so meant it had to find a way to purchase expensive new steel-making equipment. That's where Business Oregon came in. A \$150,000 forgivable loan from the Governor's Strategic Reserve Fund (SRF) provided the last piece of financing necessary for the company to purchase new equipment valued at nearly \$1 million. Thanks to this successful partnership, Service Steel was able to remain in Portland and create 40 new, good-paying manufacturing jobs for Oregonians.

North River Boats, Inc., is a manufacturer of heavy gauge aluminum recreational and commercial boats located in Roseburg. They build boats ranging from 20' to 43' in length. Popular commercial models include: Sounder, RAIV, Hybrid RAIV, Landing Craft, Cathedral, Seahawk, Pilot and Fire Boats.

North River was previously awarded a contract by the U.S. Navy to build eight, 36' large vessels. The boats were scheduled to be delivered late last year.

A third Oregon firm, Deployed Logix of Eugene, also will attend the trade show.

The Defense and Security show features more than 200 exhibiting companies from 38 countries and 15 National Pavilions. It attracted more than 9,000 professional visitors from 50 countries, including top level government representatives equivalent to Ministers, Permanent Secretaries and Commanders in Chief.

Learn more about:

- ◆ Service Steel
- ◆ STEP Program

## Salesforce.com Leasing New Oregon-based Office

Salesforce.com, the enterprise cloud computing leader, has chosen Hillsboro, for a new office location from which they will recruit from the incredible talent pool in the Pacific Northwest for a variety of positions including finance, IT support, legal support, customer service and human resources.

Sustainability is very important to the company, and salesforce.com's new office will be LEED Gold certified and have no disposables with all cups and dishes reusable and washable. Eco-friendly commuting is also highly encouraged and salesforce.com will have an on-site bike shop for do-it-yourself repairs and bike share options.

To help facilitate the process, salesforce.com participated in our new Business Expansion Program.

Learn more about:

- ◆ Business Expansion Program

## Three Major Business Expansions Announced

Business Oregon recently announced successful partnerships with three leading global companies resulting in the creation and retention of hundreds of jobs for Oregonians. All three projects combined state support with local assistance from existing or expanding Enterprise Zones.

Assistance Center, Greater Portland, Inc and the Oregon Economic Development Association to provide export counseling training to economic development professionals around the state, adapted from the U.S. Export Assistance Center's popular "Export Strategies, Tools and Techniques" program for businesses.

Since the program's inception in late 2011, 95 Oregon companies have received or are due to receive STEP grants with another 49 applications under consideration by Business Oregon. Further information about all of these offerings is available on the [program Web page](#). You also may contact [Amanda Lowthian](#) at 503-229-5483 with any questions.



**Don Russell, President, Port of Morrow Commission (left); Reagan Grabner, Finance Director, ConAgra Foods (center); Tim McCabe, Director, Business Oregon.**

In January, DuPont Pioneer, in Hermiston, announced its third expansion of its seed research and production facilities since 2009. Then ConAgra Foods will construct a \$200 million expansion of its Lamb Weston frozen potato products facility in Boardman. These two projects are expected to create nearly 150 new jobs between them.

In addition, this week Oracle America, Inc., announced plans to expand its data server and storage systems manufacturing operation in Hillsboro retaining more than 300 existing jobs that could have been moved overseas, as well as creating more than 100 new jobs for Oregonians.

Learn more about:

- ◆ DuPont Pioneer
- ◆ ConAgra Foods
- ◆ Oracle America, Inc

## [Governor Leads Business Mission to Europe](#)

The Governor will depart Portland on Sunday, March 3 to join a public-private delegation of business development leaders to promote Oregon products and attract investment to the state from the Netherlands and Germany. Delegates will be promoting Oregon tourism, pursuing business development opportunities, as well as celebrating the fifth anniversary of the critical KLM-Delta direct flight link between Portland and Amsterdam.

[Read More](#)

## [Grand Ronde Tribe Invests in SAM Medical Products](#)

Business Oregon Helped SAM Medical Products Reach Export Markets

Officials from SAM Medical Products and the Confederated Tribes of the Grand Ronde recently announced plans by the Tribe to acquire a minority stake in the Wilsonville-based medical products manufacturer.



SAM Medical Products Co-founder Cherrie Scheinberg demonstrates a SAM Splint on Tribal Elder Dolores Parmenter during a tour of the SAM factory in Wilsonville. Tribe General Manager Mark Johnston looks on.

Photo by Michelle Alaimo; courtesy of Smoke Signals

In a January 30 news release, SAM, maker of the SAM Splint and a line of other medical products focused on fracture management and wound care, said the investment will aid new product development and help expand the company's marketing and sales capabilities over the next five years.

"The Grand Ronde Tribal Council and Economic Development unit are very business savvy and the fact they are routinely presented with numerous opportunities to invest their monies, but make very few investments, is a huge testament to SAM Medical," Adrian Polliack, president of SAM, said in a news release. "They value our current business and the integrity and brand SAM Medical has in our industry, along with the quality of management and personnel we have on board."

Founded on the Oregon Coast more than 25 years ago, SAM Medical Products (SAM) develops, manufactures and markets orthopedic splints and wound care devices designed for use by the U.S. military, EMS, outdoor enthusiasts and NASA in space exploration. The company was listed on the *Inc. Magazine* 5000 list of the fastest growing private companies in America for four years in a row. The company also won the 2011 Manufacturer of the Year Award for small businesses by the *Portland Business Journal*.

Business Oregon, through its Oregon Trade Promotion Program (OTPP), and in partnership with the Oregon Manufacturing Extension Partnership (OMEP), helped SAM Medical consolidate its manufacturing facilities, increase productivity and sales, and make global contacts and future business partners.

Learn more about:  
◆ SAM Medical Products  
◆ OTPP Program  
◆ Grand Ronde Tribe  
◆ OMEP Program

## Goshen's Industrial Site Attracts Buyer, Creates Jobs

Highlights Importance of Protecting the State's Strategic Industrial Locations

A Texas-based propane company plans to open a propane tank servicing facility in Goshen by the end of the year and expects to create 36 jobs, company officials announced earlier this month.

Pinnacle Propane, owned by JP Energy Partners in Irving, Texas, told the *Eugene Register Guard* it plans to spend \$2 million to buy about three and a half acres of industrial land and retrofit an industrial building in the community just south of Eugene.

Pinnacle is in the business of maintaining and refilling the tanks that people with propane grills pick up at the local grocery, home improvement or convenience store. The 16,000-square-foot Goshen facility will take in empty propane tanks, inspect them, scrap them if they are no longer safe, and wash, repaint and refill the safe ones, and then put them back into service, company

officials told the *Register Guard*.

Goshen would be Pinnacle's first production facility in the Northwest. The company has seven similar facilities in the East, South and Midwest, and is constructing one in Nevada.

Company officials said they liked the Goshen site because of its proximity and access to Interstate 5. In late 2012, the Economic Recovery Review

Learn more about:  
◆ ERRC

Council (ERRC) designated the Goshen site, as well as one in Douglas County, as 'Regionally Significant.' Regionally Significant Industrial Areas (RSIAs) are industrially zoned areas that have vacant sites available for development and have superior industrial characteristics including access to highways, rail and an appropriate labor force. Once designated, these areas are able to take advantage of land use protections, infrastructure investments and expedited permitting.

## Study Shows EV Industry Paying Dividends for Oregon

A recent economic impact study completed by researchers at the Northwest Economic Research Center at Portland State University found that Oregon's electric vehicle (EV) cluster has created more than 1,500 jobs and resulted in \$266.5 million in economic activity. The report also found that the industry has paid \$11.9 million in state and local taxes and \$20.8 million in federal taxes.



"Our research indicates that the electric vehicle industry generates gross economic activity of \$266.5 million, total value-added of nearly \$148 million and provides more than \$89 million in total employee compensation," said Tom Potiowsky, director of the center and former Oregon state economist. "The industry continued to grow during the Great Recession, while other transportation industries suffered enormous losses."

The report attaches some attractive numbers to an industry segment that has been heavily touted in Oregon for years. The state leads the nation in the installation of electric vehicle charging stations.

"Drive Oregon commissioned this study to develop a clearer definition of the electric vehicle industry and its supply chain, generate a baseline evaluation of its economic impact in Oregon, and identify opportunities to leverage faster growth in the future," said Jeff Allen, Drive Oregon's executive director, in a statement.

Some other key findings in the report include:

- Oregon's electric vehicle industry directly employs more than 400 full-time equivalent employees in some 100 firms. Electric vehicle industry employment totals more than 1,500 jobs when indirect and induced impacts are also considered.
- The study identifies a number of EV-related initiatives boosting the sector in Oregon including tax incentive programs, ECOtality's EV Project, the

West Coast Electric Highway and PSU's Electric Avenue research project.

- Researchers surveyed the electric vehicle industry in Oregon and found that 69% of 54 firms surveyed are in the manufacturing business—both vehicle manufacturers and parts and components manufacturers.
- Of the companies surveyed, 17% have a prototype of a product. More than 11% have been generating revenue for more than three years.

Learn more about:  
♦ Oregon InC

## Call for Enterprise Zone Applications Continues until April 12

Enterprise zones across the state continue to play a critical role in helping to stimulate business development and the creation and retention of jobs for Oregonians. Recent examples include the development of a Brewery District in West Eugene, which will serve as the home for the expanding breweries Ninkasi and Oakshire. In addition, enterprise zone incentives helped assist the recent expansion of two eastern Oregon agriculture companies, DuPont Pioneer in Hermiston and Con Agra Lamb Weston in Boardman.

Business Oregon can designate up to seven new, additional enterprise zones provided under ORS 285C.080, (HB 4093; 2012), of which at least two must be rural designations. The specific area of an enterprise zone allows over three or more years for exemption from local property taxes on the new plant and equipment of eligible (typically manufacturing) businesses that create jobs.

Go to Business Oregon's [zone sponsorship Web page](#) for an application and information or contact the Enterprise Zone Coordinator at 503-986-0140 or in writing to: Enterprise Zone Coordinator, Business Oregon, 775 Summer Street NE, Suite 200, Salem OR 97301-1280.

Mandatory elements of the application must be completed and postmarked no later than April 12, 2013.

Learn more about:  
♦ Enterprise Zones

## Arts Commission Elects New Chair and Vice Chair

The Oregon Arts Commission has elected Julie Vigeland of Portland as commission chair and Henry Sayre of Bend as vice chair.

Vigeland has wide-ranging volunteer experience with arts and cultural nonprofits as well as foundations. She is a member of the Giving in Oregon Council, Oregon's think tank on philanthropy and giving. She has been a member of the board of Portland Center Stage since 1995, serving as chair for five years and chairing the Capital Campaign for the Gerding Theater at the Armory. Vigeland is one of three trustees of the Jackson Foundation and a trustee of the Wessinger Foundation. She also is the immediate past chair of the Portland Parks Board.

Sayre has been a Distinguished Professor of Art History at Oregon State University, Cascades Campus, since 2001 and from 1983 through 2001 he taught art history at Oregon

State University in Corvallis. Sayre is a prolific writer who has written about almost every aspect of the arts. His textbook, *A World of Art*, now in its seventh edition, is one of the most widely used art appreciation texts in the country. His children's book, *Cave Paintings to Picasso*, won the Eloise Jarvis McGraw Award for Children's Literature at the 2005 Oregon Book Awards.

Learn more about:  
♦ Arts Commission

## Upcoming Events

- OEDA Spring Conference March 5
- Several industry trade shows

Find a complete listing of events on our [Events Calendar](#)

Business Oregon  
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Oregon's Economic Data  
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