

**Oregon Economic & Community Development Department  
Annual Performance Progress Report (APPR)  
for Fiscal Year 2006-07**

Original Submission Date: September 28, 2007

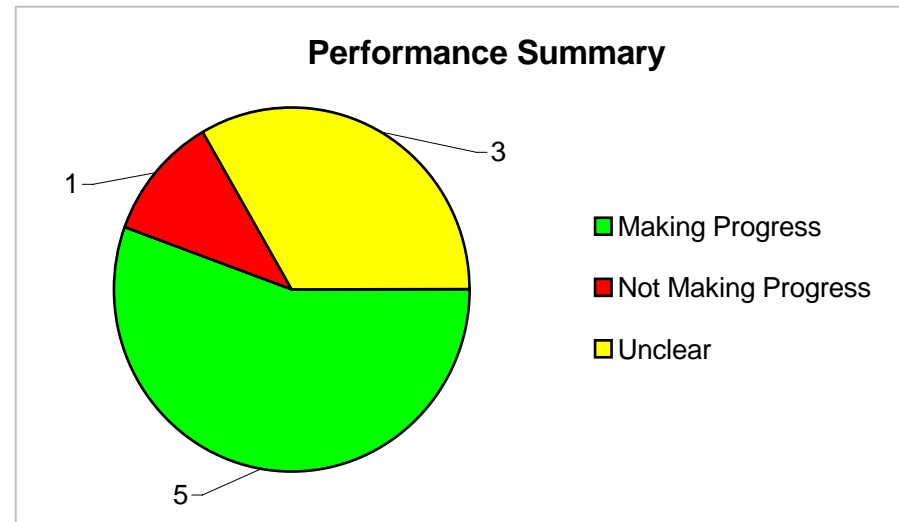
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Agency Mission: Sustainable Quality Jobs for All Oregonians at Least Cost

Contact: Brian Lindsley	Phone: (503) 986-0149
Alternate: Jeanne Arana	Phone: (503) 986-0039

**1. SCOPE OF REPORT**

The agency work addressed by the performance measures in this report relates to three high-level goals: Advance Business Opportunities; Assist Communities to Build Capacity to Attract, Retain and Expand Businesses; and Increase Innovation and Competitiveness of Traded Sector Industries. The priorities and initiatives of the Director and the policy priorities of the Economic and Community Development Commission are embedded within these goals, and in part, drive the work of the OECDD. The OECDD performance measures reflect these priorities and the agency work pertaining to Oregon’s economic advancement and the operation and efficiency of the agency. Note that the three high-level goals (OECDD’s strategic goals) were updated for 2007-09; the 2008 version of this report will include the updated goals and new measures.



**2. THE OREGON CONTEXT**

OECDD plays a vital role in achieving the *Oregon Shines Vision* of 1) Quality jobs for all Oregonians; 2) Engaged, caring and safe communities; and 3) Healthy, sustainable surroundings. All KPMs relate directly to the 2005 Oregon Benchmarks (OBM).

**Societal or High-Level Needs and Outcomes Aligned with OECDD’s Key Performance Measures:**

**OBM 1: Employment in Rural Oregon** – KPM 1, 2, 5, 6; **OBM 2: Trade Outside of Oregon** – KPM 3, 7; **OBM 3: New Employers** – KPM 1; **OBM 4: Net Job Growth** – KPM 1 & 2; **OBM 5: Professional Services** – KPM 3 & 7; **OBM 6: Economic Diversification** – KPM 1, 2, 3, 8; **OBM 15: Unemployment** – KPM 1, 2, 8; **OBM 16: Exports** – KPM 3; **OBM 35: Public Management Quality** – KPM 9; **OBM 69: Drinking Water** – KPM 5.

**Additional Related Oregon Benchmarks or High-Level Outcomes (HLO):** OBM 7: Research and Development; OBM 8: Venture Capital; OBM 9: Cost of Doing Business; OBM 10: On-time Permits; OBM 11: Per Capita Income; OBM 12: Pay Per Worker; OBM 13: Income Disparity; OBM 14: Workers at 150% or More of Poverty.

**Agency Partners in Related Work:** Employment Department, Community Colleges and Workforce Development, Department of State Lands, Department of Land Conservation and Development, Department of Transportation, and Department of Environmental Quality.

### 3. PERFORMANCE SUMMARY

This report includes measures which help evaluate OECDD's implementation of its strategic goals, such as: promoting a strong business climate to advance business opportunities (KPMs 1, 2, 8); marketing Oregon products and services internationally (KPM 3); assisting communities to build capacity to attract, retain and expand business (KPMs 4, 5, 6).

KPMs 2, 3, 6, 8, and 9 indicate OECDD's goals are progressing well in the areas of job retention, export sales, infrastructure planning projects, patents, and customer service. KPM 1 showed that OECDD fell somewhat short of its target for new job creation projects, however. KPMs 4, 5, and 7 indicated some mixed results. KPM 4 (measuring industrial site certification) was significantly lower than the target this year, but a large group of sites were quite close to certification this year and are expected to help surpass the target for next year. KPM 5 (infrastructure construction) fell somewhat short of the target for the first time in four years, but the size and cost of projects is increasing, and budget resources are not currently adequate to meet the ongoing demand. KPM 7 (cluster business plans) met its target for the year, although the result was one less than the previous year. There will be important new work regarding clusters in the 2007-09 biennium, and further ideas for tracking performance in this and other areas will be explored.

### 4. CHALLENGES

Data management, collection, validation, and analysis must continue to be coordinated with partner agencies.

It's important for all economic development partners to understand that many of OECDD's performance measures are not entirely within the department's control. For example, although state government can certainly influence the number of jobs created or retained across the state, ultimately it is Oregon businesses themselves who create and retain the jobs. OECDD seeks to employ the tools of government to improve Oregon's business climate so companies may easily grow and hire within our state.

### 5. RESOURCES USED AND EFFICIENCY

OECDD's allocated budget for the 2005-07 biennium is \$468,401,885. KPM 4 directly ensures that state permits, funds, and services are delivered in a streamlined, coordinated and objective manner. KPMs 5 & 6 help measure efficiency in providing the needed infrastructure to address many land supply issues.

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<b>KPM #1</b>	<b>JOBS CREATED Total jobs created (est.)</b>	<b>Measure since: 2004</b>
<b>Goal</b>	ADVANCE BUSINESS OPPORTUNITIES. Assist businesses, both large and small, to create, retain, and expand jobs. Improve the state's business climate. Market Oregon.	
<b>Oregon Context</b>	Oregon Benchmarks: 1 – EMPLOYMENT IN RURAL OREGON; 3 – NEW EMPLOYERS; 4 – NET JOB GROWTH; 6 – ECONOMIC DIVERSIFICATION; 15 – UNEMPLOYMENT.	
<b>Data source</b>	Job levels are collected from each business which received financial or technical assistance and directly benefited in job creation efforts. Also see item #7, below.	
<b>Owner</b>	Central Operations Division, Jeanne Arana (503) 986-0039	

**1. OUR STRATEGY**

Increase Innovation and Competitiveness of Traded Sector Industries; Enhance national and international competitiveness of Oregon traded sector industries. Assist businesses to start, relocate, or expand.

**2. ABOUT THE TARGETS**

The target is 5,525 or more projected jobs each fiscal year. These are to be created by businesses receiving financial or technical assistance from the department, and projected numbers are recorded at project start.

**3. HOW WE ARE DOING**

2007 was not as strong as 2005 and 2006 and OECDD fell somewhat short of target with new job creation projects. At the same time, job retention, as shown in KPM 2, exceeded targets, and programs such as the Regional/Rural Investment Program continue to beat targets for cost per job. For the 2005-07 biennium, the Regional Investment Program had a \$1,880 cost per job created or retained, and this 2005-07 figure will continue to improve as additional jobs result from the original funding in the 2007-09 biennium.

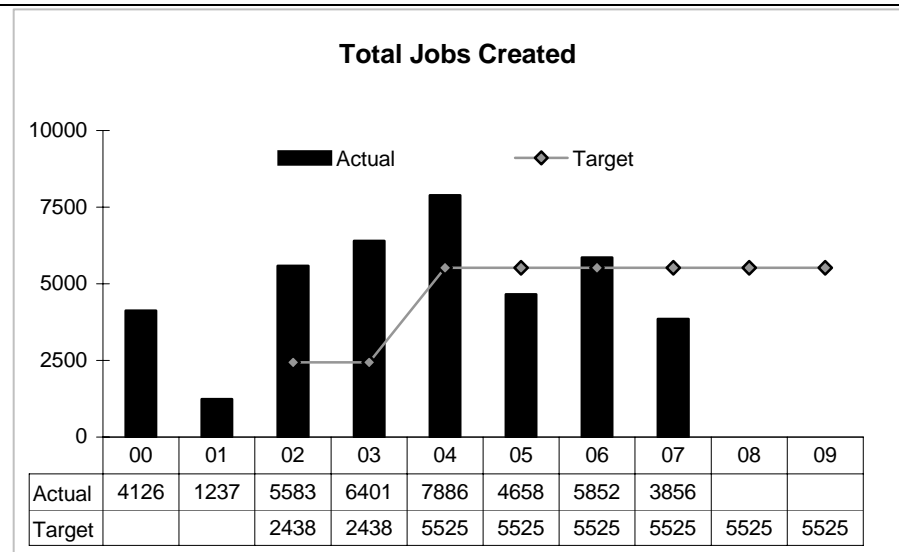
**4. HOW WE COMPARE**

Attracting new businesses in Oregon has become very competitive post-recession. Seeking to duplicate Oregon's relatively strong job creation performance despite the recession, other states are now modeling Oregon's business development tools.

**5. FACTORS AFFECTING RESULTS**

The current performance measure data includes two data elements that were only included starting in 2006. The two elements are the regional /rural development program data and the small business development program jobs created/retained data.

**6. WHAT NEEDS TO BE DONE**



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The Senior Management Team and the Commission will review overall performance every six months to assess if strategic changes are needed. The department will modify this performance measure for 2007-09 to assess job creation at the end of each project, as well as for each fiscal year of multi-year projects. The current measure will also be tracked internally to achieve a comprehensive assessment of each project from start to finish.

**7. ABOUT THE DATA**

The above data represents projects begun within the July 2006 – June 2007 Oregon fiscal year. One full-time equivalent job is equal to 1820 hours worked per year. This definition was developed to be consistent with the data collected by the Oregon Employment Department for the Oregon Quarterly Reports and Form 132 (for Unemployment Insurance Tax). The data is collected from businesses receiving loans, grants, or technical assistance directly benefiting in job creation efforts. Businesses agree to a job creation goal at the start of the project. Upon project completion, businesses are required to report actual results. For Community Assistance programs, data is collected from the Regional Boards and Partnerships and other entities receiving funds. For Small Businesses, data is collected from quarterly reports and independent surveys contracted by the department of businesses using services.

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<b>KPM #2</b>	<b>JOBS RETAINED Total jobs retained (est.)</b>	<b>Measure since: 2004</b>
<b>Goal</b>	ADVANCE BUSINESS OPPORTUNITIES. Assist businesses, both large and small, to create, retain, and expand jobs. Improve the state's business climate. Market Oregon.	
<b>Oregon Context</b>	Oregon Benchmarks: 1 – EMPLOYMENT IN RURAL OREGON; 4 – NET JOB GROWTH; 6 – ECONOMIC DIVERSIFICATION; 15 – UNEMPLOYMENT.	
<b>Data source</b>	Job levels are collected from each business which received financial or technical assistance and directly benefited in job retention efforts. Also see item #7, below.	
<b>Owner</b>	Central Operations Division, Jeanne Arana (503) 986-0039	

**1. OUR STRATEGY**

Increase Innovation and Competitiveness of Traded Sector Industries; Enhance national and international competitiveness of Oregon traded sector industries.

**2. ABOUT THE TARGETS**

The target is 2,975 or more projected jobs each fiscal year. These are to be retained by businesses receiving financial or technical assistance from the department, and projected numbers are recorded at project start. 2007 was not as strong as 2006, but still somewhat above target and recent years.

**3. HOW WE ARE DOING**

New job retention projects were strong throughout the 2005-07 biennium, and we will assess how well those projects are proceeding in 2007-09. During this process, we will also consider adjusting our targets.

**4. HOW WE COMPARE**

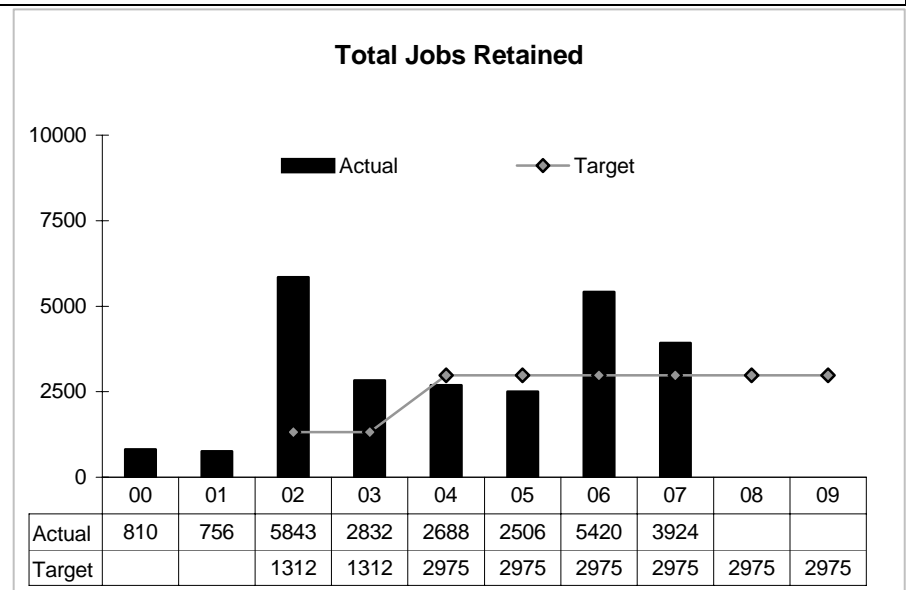
Retaining existing businesses in Oregon has become very competitive post-recession. Seeking to duplicate Oregon's relatively strong job retention performance despite the recession, other states are now modeling Oregon's business development tools.

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<b>KPM #3</b>	<b>EXPORT SALES New sales of assisted clients</b>	<b>Measure since: 2004</b>
<b>Goal</b>	INCREASE INNOVATION AND COMPETITIVENESS OF TRADED SECTOR INDUSTRIES. Our strategies include enhancing national and international competitiveness of Oregon traded sector industries; enhancing the state’s capacity for innovation and technology development and product creation; and increasing international opportunities for Oregon industries.	
<b>Oregon Context</b>	Oregon Benchmarks: 2 – TRADE OUTSIDE OF OREGON; 5 – PROFESSIONAL SERVICES; 6 – ECONOMIC DIVERSIFICATION; 16 – EXPORTS.	
<b>Data source</b>	Companies report sales data to international trade manager.	
<b>Owner</b>	International Trade Services, Karen Goddin (503) 229-6054	

**1. OUR STRATEGY**

Marketing Oregon products and services internationally.

**2. ABOUT THE TARGETS**

“Assisted sales” refers to export sales reported by Oregon company clients of OECD’s International Trade Services. The measure targets growth of revenues to the state via international trade.

**3. HOW WE ARE DOING**

We exceeded the target in large part due to a single large helicopter sale in the Korean market. Total export sales without this transaction (\$36 million) would have been \$6.2 million, \$2.8 million less than set target.

**4. HOW WE COMPARE**

The metrics in this area are not standardized. A summary review of other public trade agencies in the region show that a range of measures are used to measure performance, including: the number of client companies, number of domestic assists (e.g. one-on-one counseling, domestic seminars), overseas representatives or joint ventures signed.

**5. FACTORS AFFECTING RESULTS**

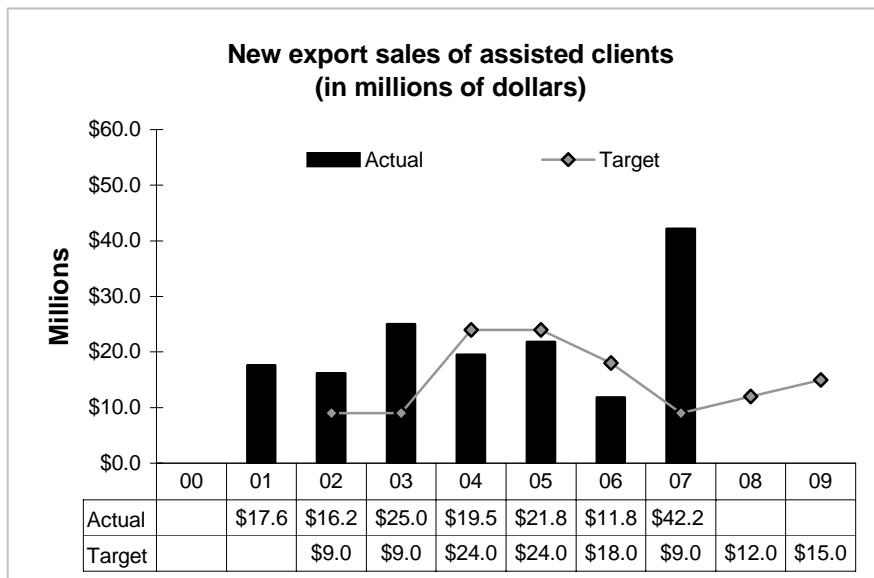
The 2005-07 biennial target of \$27M was based on the assumption that the International section’s budget level would be maintained, and that Industry Sector Outreach funds would be available to assist Oregon companies to participate in the Oregon Trade Promotion Program (OTPP). A \$300,000 reduction in the international budget and curtailed ISO funding of the OTTP program limited the assistance that could be provided to Oregon companies.

**6. WHAT NEEDS TO BE DONE**

We will continue to evaluate the performance measure to ensure that it adequately captures the performance of International Trade Services, its activities and investment. For instance, while targets are ramping back up, a small business’ export sales are usually much smaller than the \$36M exception this year.

**7. ABOUT THE DATA**

The data is based on the reported sales of businesses receiving assistance from our programs during the Oregon fiscal year.





KPM #4	INDUSTRIAL SITE CERTIFICATION Number of new industrial sites/acres certified "project ready"	Measure since: 2004
<b>Goal</b>	ASSIST COMMUNITIES TO BUILD CAPACITY TO ATTRACT, RETAIN, AND EXPAND BUSINESSES.	
<b>Oregon Context</b>	Oregon Benchmarks: 4 – NET JOB GROWTH; 15 – UNEMPLOYMENT.	
<b>Data source</b>	OECD maintains notebooks with all documents demonstrating that each certified site is ready for development within 180 days.	
<b>Owner</b>	Community Development Division, Bev Thacker (503) 986-0071	

**1. OUR STRATEGY**

Assist communities to build capacity to attract, retain, and expand businesses; Prepare industrial lands for development; Provide market-ready industrial sites. Even though the industrial site certification program is administered by OECD, readying industrial sites for "project ready" certification is a multi-agency, state/local collaboration.

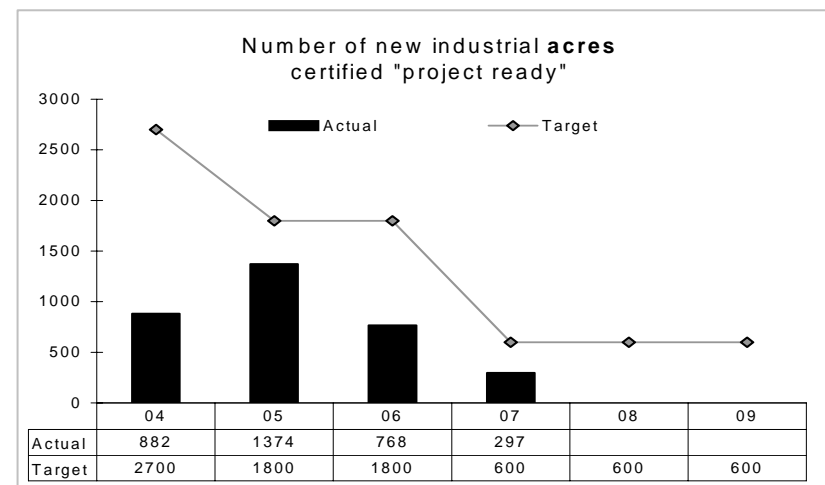
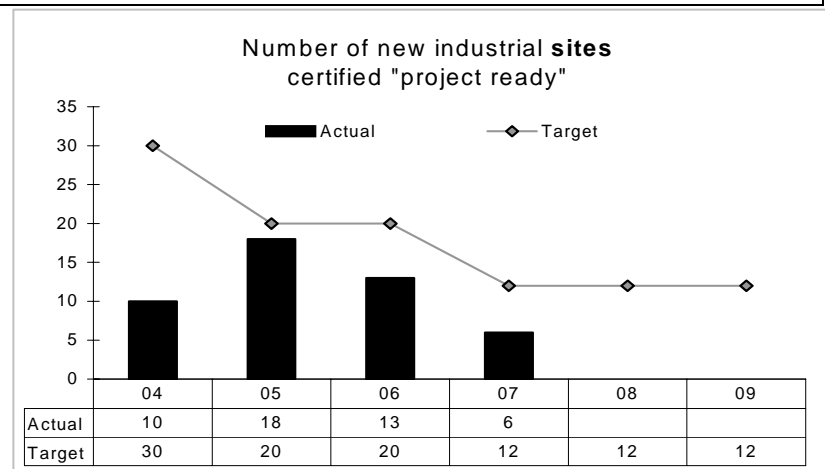
**2. ABOUT THE TARGETS**

Because targets for this measure were set unrealistically high when the program was new and without a track record, an adjustment to the target from 20 to 12 sites a year was approved for OECD, by the Joint Legislative Audit Committee (JLAC) for FY 07. Certifying industrial lands as "project ready" (i.e., providing assurance that a site can be developed in 180 days or less) for specific industry profiles saves prospective companies significant cost, time and risk. In today's economy, project development timelines are shrinking and information technology is allowing many companies the option to locate virtually anywhere in the world. Certification gives Oregon communities the opportunity to compete for businesses they might not otherwise attract.

**3. HOW WE ARE DOING**

The program requires industrial sites to meet rigorous standards relative to regulatory requirements such as zoning, wetlands and environmental contamination, as well as document a variety of other criteria such as utilities, transportation infrastructure and availability. Holding to these market-driven high standards resulted in a longer ramp up time than anticipated as landowners, municipalities and state agencies became familiar with the process and performance is beginning to meet targets. Another site was certified this summer after the reporting period, and as many as 15 additional sites are nearing completion, so the next reporting year will likely exceed the target.

OECD has also found through company reports that after site certification, 19 sites have been partially or fully developed. Companies report that this



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represents over 2,500 jobs with an average annual wage of \$34,000. OECDD will request that the Employment Department check these development outcomes for verification.

**4. HOW WE COMPARE**

The Oregon Industrial Site Certification program was the third such program nationwide. Industry standards for developable industrial land are very high, with many companies wanting “Shovel Ready” sites where they can break ground in 90 days or less. In Oregon, we are certifying that sites are “Project Ready,” which means they can be developed within 180 days of lease or purchase. This delay can be due to the need to, among other things, extend needed infrastructure, or complete wetland or environmental mitigation. However, many of the sites certified to date already meet the higher standard. The department is targeting its infrastructure investment funds on highly marketable sites certified as “Project Ready” to help them become “Shovel Ready.”

**5. FACTORS AFFECTING RESULTS**

See numbers 3, 4, and 6.

**6. WHAT NEEDS TO BE DONE**

The department will continue to streamline the process to make it easier and less expensive without sacrificing credibility. In addition, we will work with other state agencies to address barriers to certification and industrial land development such as adequate land supply, brownfields redevelopment and the need for wetland mitigation. These are major issues restricting industrial growth.

**7. ABOUT THE DATA**

Results represent sites certified within the Oregon fiscal year. To be certified, each site needs to document that it is ready for development within 180 days of lease or purchase. OECDD maintains notebooks, as well as compact discs, with all the documentation. Documentation and the site itself is reviewed by an independent consultant who recommends certification. Also see number 3, above.

KPM #5	INFRASTRUCTURE CONSTRUCTION Number of community capital projects assisted for construction (infrastructure & community development)	Measure since: 2004
<b>Goal</b>	ASSIST COMMUNITIES TO BUILD CAPACITY TO ATTRACT, RETAIN, AND EXPAND BUSINESSES.	
<b>Oregon Context</b>	Oregon Benchmarks: 1 – EMPLOYMENT IN RURAL OREGON; 69 – DRINKING WATER.	
<b>Data source</b>	Each infrastructure project at the start is categorized, recorded in the database, and reported on at year end.	
<b>Owner</b>	Community Development Division, Ann Hanus (503) 986-0135	

**1. OUR STRATEGY**

Assist Communities to build capacity to attract, retain and expand businesses; Provide public infrastructure on a timely basis. Examples of partners in these infrastructure projects are: cities, counties, ports, Tribal Councils of Indian Tribes, and special districts.

**2. ABOUT THE TARGETS**

The targets address the agency’s progress in providing public infrastructure (water, sewer, roads, telecommunication, etc.) that supports economic growth and healthy communities.

**3. HOW WE ARE DOING**

Due to increased demand for municipal infrastructure, OECD exceeded its targets the previous three years. However, this year was slower through October largely in response to concerns regarding Measure 48 and uncertainty regarding recapitalization of the Special Public Works Fund (SPWF) and the Water/Wastewater Fund.

**4. HOW WE COMPARE**

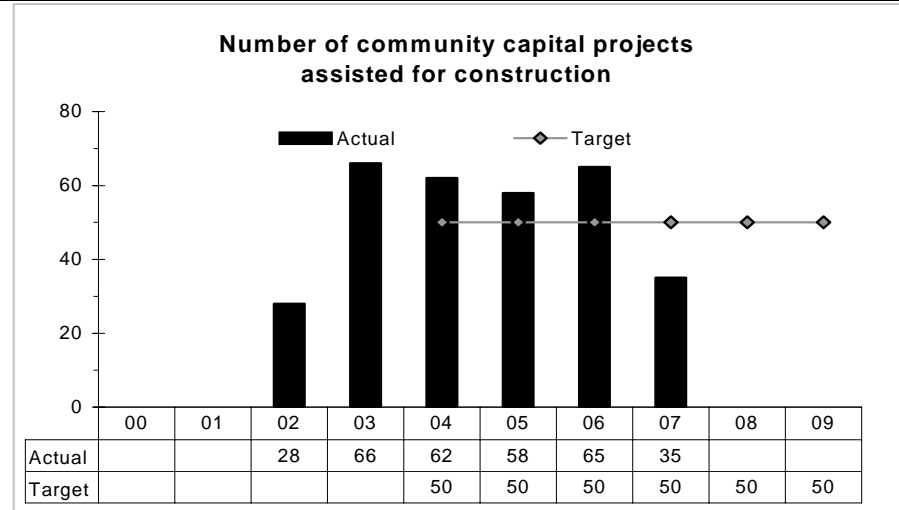
None identified.

**5. FACTORS AFFECTING RESULTS**

Demand in municipal infrastructure remains high. During the 2006-2007 fiscal year OECD invested \$68 million in construction projects, which mostly will fund the construction/improvement of water systems, sewer systems, and infrastructure for certified industrial sites and essential community facilities. Additional key factors are that the size/scope of projects is increasing, and the cost of materials for construction is increasing (Turner Construction Cost Index in 2006 was over 10%). Delaying work on dated infrastructure will also increase costs.

**6. WHAT NEEDS TO BE DONE**

Targets for 2007-09 will need to be reduced. In order to align award levels with long-term sustainable levels, the legislature recapitalized the SPWF at \$21.4 million, which was substantially lower than the Governor’s Recommended Budget. The budget note also called for development of priority criteria for awards and OECD Commission approval of the criteria used for the awards. OECD will also integrate data with this measure to track varying sizes of projects and costs. A recently commissioned study assessed return on investment, estimating that each \$1M of OECD public infrastructure funds leverages over \$1.3M in other funds. On average, \$1 million of OECD funds generates 64 construction jobs and 150 permanent jobs over a six-year period. New



**AGENCY NAME: Oregon Economic & Community Development Department (OECD)**

**II. KEY MEASURE ANALYSIS**

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income tax revenue to the state as a result of these jobs, with an average wage in 1997 of \$26,500, results in repaying the state investment in less than five years.

**7. ABOUT THE DATA**

Data is for the Oregon fiscal year. Projects are entered into the database upon funding commitment. Coordinators conduct final monitoring when projects are complete and note so in the database. Projects with job creation or retention will be verified through independent Employment Department reports.

KPM #6	INFRASTRUCTURE PLANNING Number of community capital projects assisted for planning (infrastructure, community & organizational)	Measure since: 2004
<b>Goal</b>	ASSIST COMMUNITIES TO BUILD CAPACITY TO ATTRACT, RETAIN, AND EXPAND BUSINESSES.	
<b>Oregon Context</b>	Oregon Benchmarks: 1 – EMPLOYMENT IN RURAL OREGON.	
<b>Data source</b>	Each infrastructure project at the start is categorized, recorded in the database, and reported on at year end.	
<b>Owner</b>	Community Development Division, Ann Hanus (503) 986-0135	

**1. OUR STRATEGY**

Assist Communities to build capacity to attract, retain and expand businesses; Provide public infrastructure on a timely basis. Examples of partners in these infrastructure projects are: cities, counties, ports, Tribal Councils of Indian Tribes, and special districts.

**2. ABOUT THE TARGETS**

This measure includes all OECD-funded planning projects, including those associated with preparing industrial lands for development and capital projects supporting community infrastructure such as wastewater treatment and safe drinking water. Highly marketable industrial sites receive additional planning assistance so they can be developed within 180 days and become certified as “project ready.”

**3. HOW WE ARE DOING**

Projects assisted for planning have been steadily increasing since 2004, leading up to 2007 when the target was reached. Demand is high, and planning projects are important to ensure technically feasible and cost-efficient construction projects.

**4. HOW WE COMPARE**

None identified.

**5. FACTORS AFFECTING RESULTS**

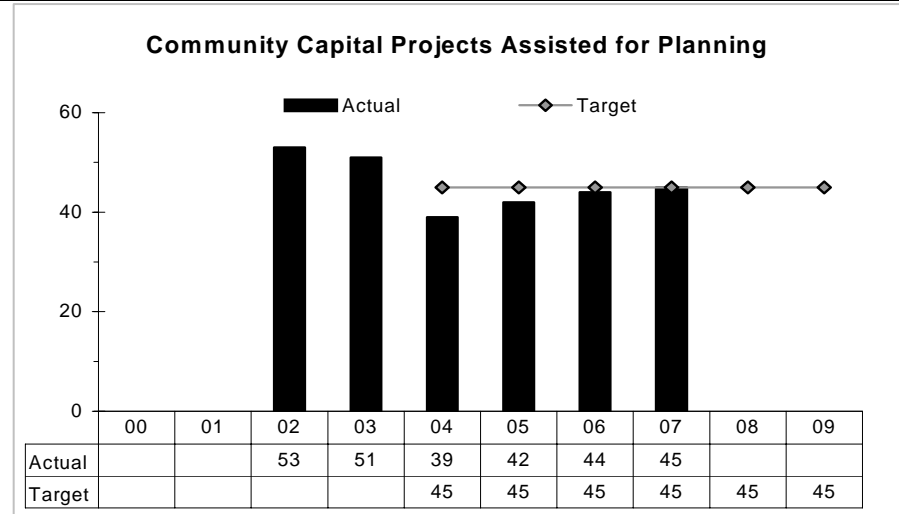
Key factors are that the size/scope of projects is increasing, and the cost of materials for construction is increasing (Turner Construction Cost Index in 2006 was over 10%). Delaying work on dated infrastructure will also increase costs. \$1.7M was invested in planning projects this fiscal year.

**6. WHAT NEEDS TO BE DONE**

Integration of data for KPM 5&6 on budget, scope of projects, and material costs, as these variables also affect how many projects can be done each year.

**7. ABOUT THE DATA**

Data is for the Oregon fiscal year. Projects are entered into the database upon funding commitment. Coordinators conduct final monitoring when projects are complete and note so in the database.



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KPM #7	CLUSTER BUSINESS PLANS Number of identified traded sector industry clusters with active business development plans	Measure since: 2004
<b>Goal</b>	ADVANCE BUSINESS OPPORTUNITIES. INCREASE INNOVATION AND COMPETITIVENESS OF TRADED SECTOR INDUSTRIES.	
<b>Oregon Context</b>	Oregon Benchmarks: 2 – TRADE OUTSIDE OF OREGON; 5 – PROFESSIONAL SERVICES.	
<b>Data source</b>	Employment Department, OECD, & Business plan on actual result.	
<b>Owner</b>	Innovation and Economic Strategies Division, Amy Keiter (503) 229-5113	

**1. OUR STRATEGY**

Increase Innovation and Competitiveness of Traded Sector Industries; Enhance national and international competitiveness of Oregon traded sector industries.

**2. ABOUT THE TARGETS**

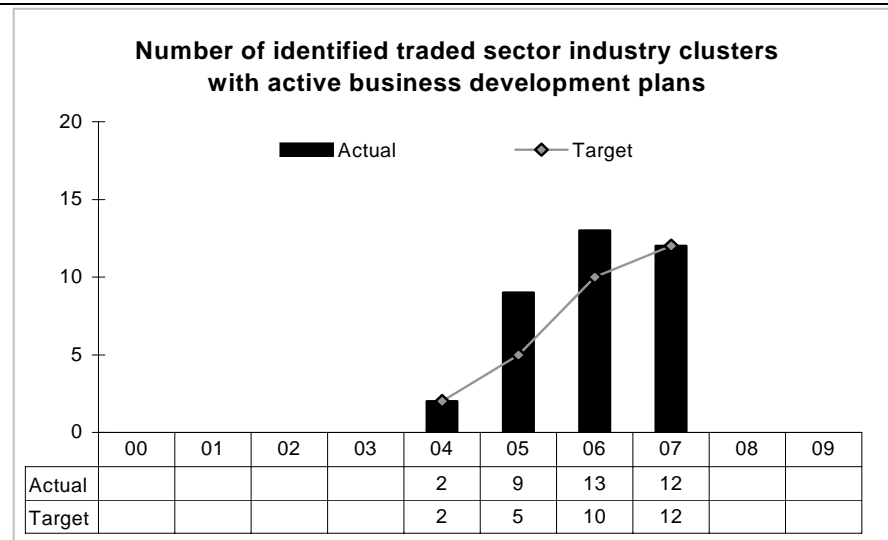
Understanding the opportunities and issues facing Oregon’s traded sector industries is necessary to strengthening the state’s economy as well as charting a course for future growth. Business development plans outline the areas where the agency may assist these industries.

**3. HOW WE ARE DOING**

This year our target was met in coordination with twelve industry clusters: Metals Manufacturing (working closely with Manufacturing 21 Coalition and Oregon InC.); Recreational Vehicle Manufacturing (RV Manufacturing Consortium in coordination with Lane Workforce Partnership and others); Food Processing (Northwest Food Processors Association working in coordination with Oregon InC);

Micro/Nanotechnology (such as through ONAMI, received Oregon InC funding); Biosciences (under the coordination of Sarah Garrison of OECD and the Oregon Bioscience Association's Bob Lanier); Forestry (such as through the Oregon Forest Resources Institute and OSU’s Wood Innovation Center); Beer (through the Oregon Microbrewers Association); Wine (through the Oregon Wine Board); Nursery (in coordination with Oregon Association of Nurseries, such as for Advantage Oregon); Wave Energy (such as through Oregon InC and OWET); Software (both through the Software Association of Oregon and the Educational Software Cluster); Green Development (under the coordination of Glenn Montgomery of OECD) - this encompasses both green buildings and sustainable technology.

From Bioscience to Green Development, work is supporting innovative public-private partnerships. For example, the Green Development Cluster is a collaborative public-private enterprise convened by the Oregon Economic and Community Development Department and comprised of professional service providers in green building, planning, manufacturing, and finance, NGO advocates, academia, and government workforce and economic development agencies. Its mission is to create an environment in Oregon where green building and smart growth can thrive, and where sustainability is leveraged to advance Oregon’s economy. This is accomplished through targeted efforts, such as fast-tracked permitting for LEED-certified buildings, as well as broad



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market-based initiatives, such as the development of an eco-systems services trading center. These efforts are part of a larger process of integrating with the Oregon Business Plan.

**4. HOW WE COMPARE**

OECD recognizes the importance of supporting Oregon's industry clusters: businesses of one industry, working contiguously, benefit from a shared and experienced workforce, mutual suppliers, and a stronger market share that single businesses could not capture on their own. It is an innovative economic development strategy for which standards and baseline data are generally not yet available. Oregon has the opportunity to lead the nation in demonstrating the value of this approach. Oregon has been selected to host *The Competitiveness Institute's 2007 Annual Conference*. This event will further strengthen and promote our cluster development work, and includes a session for discussing performance measures for cluster initiatives around the world.

**5. FACTORS AFFECTING RESULTS**

Addressed above and below. Work with Oregon Inc. continues to be a positive factor in assisting industry innovation.

**6. WHAT NEEDS TO BE DONE**

Looking forward, the National Governor's Association recently invited Oregon to join a policy academy to help states identify and implement policies to spur expansion of their most innovative and promising industries. This work will put Oregon further ahead in the use of cluster strategies to enhance competitiveness of Oregon companies.

**7. ABOUT THE DATA**

Data reflects achievement within the fiscal year of 2006-2007. OECD has also conducted further cluster studies, such as on cluster core industries and specialized suppliers, as well as shift-share analysis.

KPM #8	PATENTS Number of patents per 10,000 Oregon businesses	Measure since: 2004
<b>Goal</b>	ADVANCE BUSINESS OPPORTUNITIES. INCREASE INNOVATION AND COMPETITIVENESS OF TRADED SECTOR INDUSTRIES.	
<b>Oregon Context</b>	Oregon Benchmarks: 6 – ECONOMIC DIVERSIFICATION; 15 – UNEMPLOYMENT.	
<b>Data source</b>	U.S. Department of Commerce, U.S. Patent and Trademark Office, Office of Electronic Information Products. Patents by Country/State and Year. Technology Assessment and Forecast Database. Census' County Business Patterns as source for business establishments.	
<b>Owner</b>	Innovation and Economic Strategies Division, Brian Evans (503) 229-5224	

**1. OUR STRATEGY**

Advance Business Opportunities; Assist business, both large and small, to create, retain and expand jobs.

**2. ABOUT THE TARGETS**

Innovation and competitiveness is a continuum of research, development, business startup and growth. Oregon has programs and policies in place that foster the research and discovery process for new ideas that have potential to develop jobs and increase revenues. There is a “commercialization gap” in the continuum where ideas are turned into products and new businesses. This measure gauges the outcome of agency efforts to bridge that gap by supporting increased commercialization of research from universities.

**3. HOW WE ARE DOING**

Patents have steadily increased every reporting year, and the last two years have been the biggest two gains for Oregon.

**4. HOW WE COMPARE**

Oregon ranked 4th in the nation in patents per million persons and 12th in patent citations per million persons in 2006. In addition, 2006 was the first year that Oregon exceeded the national average in both patents per million persons and patent citations per million persons. This performance indicates the increasing strength and relevance of new research coming from Oregon.

**5. FACTORS AFFECTING RESULTS**

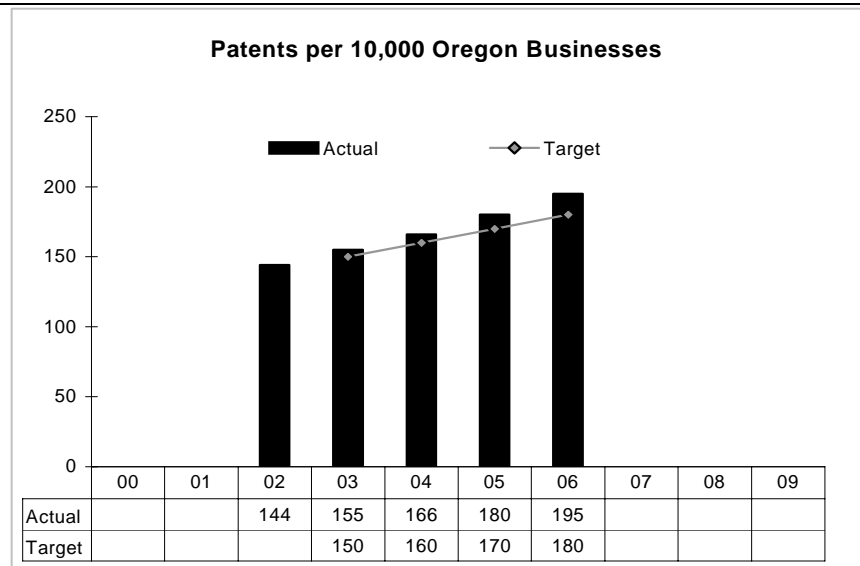
See number 4.

**6. WHAT NEEDS TO BE DONE**

New ideas are being generated in Oregon at an increasing rate. In order to maximize value to the state, Oregon needs to focus on developing these ideas into new products and services for new and existing businesses. OECD will continue to track patents internally and through the Innovation Index.

**7. ABOUT THE DATA**

Patents are reported federally on a calendar year cycle. Business establishment figures aren’t available from the Census as soon as patents are, so a 3-year average of patents was used, divided by the business establishment figure for the middle year. OECD will determine whether establishment data is





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## **II. KEY MEASURE ANALYSIS**

available sooner elsewhere in order to improve the methodology; however, it may be that the method used in the Innovation Index to calculate patents per million persons is even more useful.

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KPM #9	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Measure since: 2006
<b>Goal</b>	IMPROVE CUSTOMER SERVICE AND MEASURE RESULTS.	
<b>Oregon Context</b>	Oregon Benchmarks: 35 – PUBLIC MANAGEMENT QUALITY.	
<b>Data source</b>	Result of independent survey done every 2 years.	
<b>Owner</b>	Central Operations Division, Jeanne Arana (503) 986-0039	

**1. OUR STRATEGY**

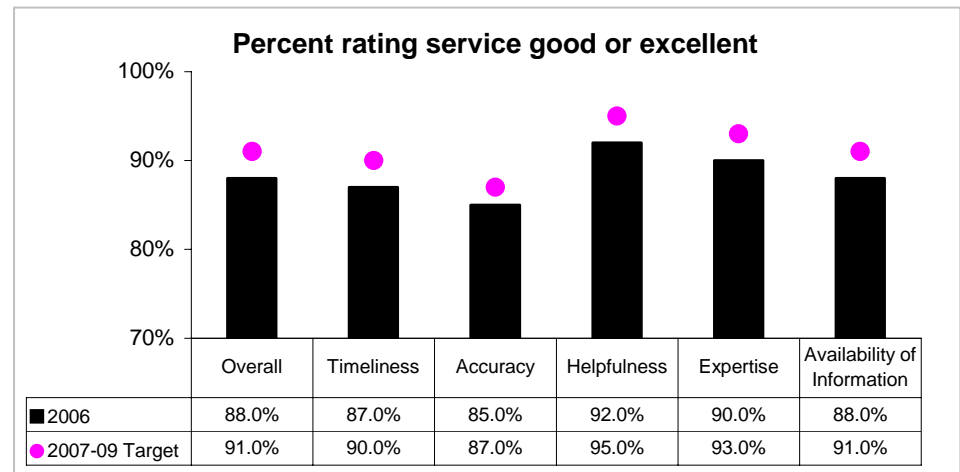
Improve customer service and measure results.

**2. ABOUT THE TARGETS**

The department has been measuring customer satisfaction biennially since 1997. In 2005, with guidance from the Progress Board, we reduced the number of survey questions. In 2006, we developed two surveys, one focusing on municipal customers and one on small business customers. This report gives the combined results of those surveys regarding the customer service questions required of state agencies by DAS. 2007-09 targets represent an increase over the positive results of the 2006 measure.

**3. HOW WE ARE DOING**

2006 results provide a baseline assessment using the new customer service questions. In 2006, 88% of customers rated the overall customer service of OECD as good or excellent. Results from the other five questions ranged from 85% to 92%.



**4. HOW WE COMPARE**

These DAS-required questions facilitate comparisons among state agencies. Other non-regulatory agencies reported similar results.

**5. FACTORS AFFECTING RESULTS**

In general, also distinguishing the responses of “good” vs. “excellent” will likely be informative for agencies. Overall, OECD received more ratings of “excellent” than of “good.”

**6. WHAT NEEDS TO BE DONE**

OECD circulated results internally and externally, and will continue striving to provide great service.

**7. ABOUT OUR CUSTOMER SERVICE SURVEY**

The following provides additional summary information: a) Name of primary survey: Oregon Economic and Community Development Department – Customer Survey; b) Conducted independently by BNRResearch; c) Completed in early 2007, the study addressed customers from July 2005 to June 2006; d)

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## **II. KEY MEASURE ANALYSIS**

Municipal partners and end users of the agency's programs and services were surveyed; e) a random sampling procedure was used in building the customer list for the survey; f) there were over 200 actual respondents.

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**III. USING PERFORMANCE DATA**

Agency Mission: Sustainable Quality Jobs for All Oregonians at Least Cost

Contact: Brian Lindsley	Phone: (503) 986-0149
Alternate: Jeanne Arana	Phone: (503) 986-0039

The following questions indicate how performance measures and data are used for management and accountability purposes.	
1 INCLUSIVITY Describe the involvement of the following groups in the development of the agency's performance measures.	We worked collaboratively with the Economic and Community Development Commission, division managers and staff as appropriate, plus other key partners and stakeholders to help revise our performance measures.
2 MANAGING FOR RESULTS How are performance measures used for management of the agency? What changes have been made in the past year?	Performance measures and their contribution to management of the agency has become important to the Management Team, the Director and staff. Continuing to develop more concise and useful performance measurements is an agency priority. The goal is to provide better data to inform management decisions.
3 STAFF TRAINING What training has staff had in the past year on the practical value and use of performance measures?	Staff has received training in the department's performance measurement system, and worked with performance measures in a wide variety of contexts, such as in evaluating performance of "pass-through" program funds. There is also a database reference manual that is utilized by department staff.
4 COMMUNICATING RESULTS How does the agency communicate performance results to each of the following audiences and for what purpose?	Every three months the division managers review performance data and make recommendations for changes in focus, process, or other actions as necessary. Every six months, the Economic and Community Development Commission reviews the department's performance report. These reviews provide commissioners with the opportunity to comment and provide direction.