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Economic & Community Development Department

Administrative Overview

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Introduction

The Economic and Community Development Department provides technical assistance, expertise and funding to develop economic opportunities, enhance the livability of communities and foster the growth and dissemination of cultural resources throughout Oregon. The objectives of Economic and Community Development Department are to strengthen business, create jobs, and raise wages by promoting business and industrial development within the State and by fostering markets for goods manufactured in Oregon. In addition the department assists communities to attract and retain businesses through infrastructure and capacity development. Finally, the agency works to create and maintain a competitive edge for Oregon companies upon the national and global markets.

History

For over one hundred years various commissions, boards, and departments have participated in state economic planning and development. The Board of Immigration Commissioners was the first state governmental body to oversee state economic planning and promotion. Its promotional initiatives included issuing various publications such as the 1875 "Oregon: Facts Regarding its Climate, Soil, Mineral, and Agricultural Resources . . . For the Use of Immigrants, with Maps." The Commission had branch offices in Boston and San Francisco.

Over the years, the Legislative Assembly provided sparse funding for the commission's publications and offices. Revenue came primarily from private bodies such as the Portland Board of Trade and private companies like railroads and steamship companies. Other efforts of the commission included investigating claims of fraud by "sharper" upon recent arrivals, operating a primitive employment agency, shipping samples of Oregon products to immigrant prospects, and creating a traveling exhibit railroad car. Supplementing the work of the commission, many individual counties established county immigration associations, printed their own promotional material, and coordinated their efforts with the State Board of Immigration.

Other 19th and early 20th century state-funded promotion efforts included exhibits at various expositions held across the country. Official state exhibits were included in the World's Industrial and Cotton Centennial Exposition (1886); the Louisiana Purchase Exposition (1904);

the Lewis and Clark Centennial Exposition (1905); the Panama-Pacific National Exposition (1913); the Century of Progress Exposition (1931); the Golden Gate International Exposition (1937); and the New York World's Fair (1937).

Following the dissolution of the Board of Immigration Commissioners, two short-lived commissions performed duties relating to state planning and marketing. The first, called the Oregon Conservation Commission (1909-1927) was authorized to cooperate with the National Conservation Commission by reporting survey results relating to the state's natural resources and economic development. It filed its last report in 1914, although it remained in statute until 1927.

The second temporary body created during this time period was the State Advertising Commission. Consisting of the Governor, Secretary of State, State Treasurer, and two appointees of the State Chamber of Commerce. The commission managed a fund appropriated by the Legislative Assembly to advertise the resources of the state. The commission functioned until the fund was exhausted.

The State Planning Board, consisting of nine members appointed by the Governor, was formed in 1935. The board conducted research and surveys to promote public works development. It also helped local governmental bodies prepare applications for federal funds for public works projects and helped create municipal, county, and regional planning commissions.

In addition to its work in promoting public works development and advising local planning commissions, the board recommended to the Governor a comprehensive plan for the utilization, conservation, and development of the natural resources of the state. It was also designated as the primary executive and legislative resource for answering questions relating to state planning. The Willamette Valley Advisory Board was created as an advisory committee to the State Planning Board in 1937. It focused on acquiring federal funds for public works.

In 1939, the responsibility for tourist promotion was assigned to the State Highway Commission. The successor agency, the Department of Transportation, retained this function until it was transferred to what was then called the Economic Development Department in 1983.

During and following World War II, the Committee on Post War Readjustment and Development, whose primary focus was assimilating and providing for returning veterans, was given the added responsibility to create a program to induce and encourage new industries and businesses within the state.

In 1953, the administrative duties relating to economic planning and promotion were consolidated in one entity, the Oregon Development Commission. The commission's purview included the responsibilities assigned to previous economic development boards and commissions, but within a more centralized and focused legislative mandate. The commission compiled statistics on current and potential economic development and acted as a clearinghouse for such information. The commission also coordinated the resources and information of other state agencies relating to specific economic development projects and issues. For example, at the request of the State Fish Commission, the Department of Agriculture, and Oregon State College,

the Oregon Development Commission issued a report recommending commercial utilization of kelp growing in Oregon's coastal waters.

The Oregon Development Commission acted as a consulting body to local communities and industries in their development efforts. For example, in 1954 it advised the City of Springfield during its efforts to prevent the dismantling of an alcohol plant and to find a replacement business. The Commission also promoted out-of-state industrial investment by contacting and encouraging industrial concerns to locate businesses and factories within the state. For example, in 1954 it approached a major frozen fish processing company and provided information on suitable location sites on the Oregon coast.

The Oregon Development Commission functioned until 1957 when the Legislative Assembly replaced it with a new Department of Planning and Development. The change from commission to department status resulted largely from Governor Holmes' belief that a department would signify the importance of state business recruitment efforts. The new department's duties were to formulate and direct a program of planning and development for the state. Through research, planning and programming, promotion and coordination of activities in the state, the department was to foster growth and diversification of resources, agriculture, industry, and commerce. The department served as a central coordinating agency and clearinghouse for activities and information concerning the resources and economy of the state.

During the 1960s, the administrative umbrella over the Department of Planning and Development was changed several times, but its duties and responsibilities remained constant. In 1963, the department was incorporated intact as a section of the newly created Department of Commerce and renamed the Economic Development Division in 1967. It was removed from the Department of Commerce to the Executive Department in 1969. In 1969 the Arts Commission was founded to promote the arts by through financial and technical support to artist, art organizations and stakeholders.

From 1971-73 the Department of Planning and Development was administered directly by the Governor, and focused on promoting industrial development, furthering local community-level planning, continuing economic research, and providing technical service support to selected industries. Among specific initiatives relating to promoting industrial development were participation in trade missions to Japan and China. Activities relating to community-level planning and promotion included maintaining a field staff as liaison between the department and local communities, presenting conferences to local agencies, and distributing newsletters. Technical services provided to industry included maintaining a specialized library for the nuclear industry; information exchange on scientific/technical personnel and related organizations; geotechnical advice relating to land use, planning, and zoning; and educational courses in wood science and preservation.

The 1973 Legislative Assembly established the Economic Development Commission and the Economic Development Department. The Commission consisted of five members appointed by the Governor. The Commission was to establish a comprehensive policy and plan for balanced economic and community development of the state, define priorities necessary to implement the

policy and plan, and to proceed with immediate implementation. The Commission was authorized to establish advisory and technical committees.

The Economic Development Department was to be a cabinet-level agency directly accountable to the Governor. The Director was to be appointed by the Economic Development Commission. The Department was responsible for formulating a program to promote the state's economic growth. The Department had advisory, coordinating, promotional, and developmental responsibilities but did not have regulatory power. A Joint Legislative Committee on Foreign Trade was established at the same time.

From 1973 to 1995 the Legislative Assembly moved functions and responsibilities back and forth between the Commission and the Department but the basic mission changed little. The voters approved a constitutional amendment in 1984 authorizing a state Lottery, with proceeds dedicated to funding economic development efforts. The Economic Development Department was designated as the primary agency to distribute Lottery revenue.

In 1983 the Tourism Commission was transferred from the Transportation Department to the Department, adding another element of economic development activity.

The 1989 Legislative Assembly created the Oregon Progress Board. Its role was to encourage discussion and understanding of critical global and national economic trends affecting Oregon's economy in the coming decades. It developed Oregon's strategic plan, Oregon Shines, which details Oregon's vision for economic progress over the next 20 to 30 years. It also developed goals to accompany the strategic plan with measurable indicators called 'benchmarks.' State agencies were assigned benchmarks relevant to their missions and instructed to report to the Progress Board biennially on their progress toward them. The Progress Board reports the collective advancements of the state agencies toward the benchmarks and the fulfillment of the goals of Oregon Shines to the Legislative Assembly biennially. The Governor chairs the Progress Board and appoints members. The Economic Development Department staffs the Board.

The State Agency Work Force Advisory Council was also formed in 1989. Its mission was to advise the Department on state agency personnel and related issues, and to provide for regular discussion of job training issues by state agencies. The Economic Development Department Director was the convener and chairperson. The members were to manage the Job Training Partnership Program, the Assistant Administrator of Research and Statistics in the Employment Division, the Commissioner of the Office of Community College Services, the Commissioner of the Bureau of Labor and Industries, the Director of the "New JOBS" program, the Associate Superintendent of Vocational Education, and the Director of the Office of Educational Policy and Planning.

In 1991 the Department was directed to establish foreign trade offices in countries it considered necessary. Foreign trade offices were to work with the private sector to help find international markets for Oregon goods and services, and with local governments to help foreign businesses locate in Oregon. The Department was also instructed to promote awareness in foreign countries of programs and incentives available to locate foreign owned businesses in Oregon.

The Oregon Workforce Quality Council was also established in 1991 with the broad mandate to oversee implementation of school reform, professional and technical education reform, adult worker training investment, business, labor and education partnerships, centralized delivery of employment and training services at the local level, and to develop goals and comprehensive strategy for improving quality of workforce consistent with the Oregon Progress Board's Benchmarks. The Council was also instructed to designate regional workforce quality committees throughout state. The Council constituted the Oregon Job Training Coordinating Council required by 29 U.S.C. 1532, and set policy for allocating Job Training Partnership Act funds. The Office of Educational Policy and Planning provided staff.

1991 also saw the Pacific Northwest Economic Region established. Parties to the compact creating the region included Alaska, Alberta, British Columbia, Idaho, Montana, Oregon, and Washington. It promotes greater regional collaboration among the seven entities and to enhance their competitiveness in international and domestic markets. It is comprised of Legislative leaders from the five states and two provinces.

In 1993 the former Economic Development Commission was dissolved or 'sunsetting' and the present Economic Development Commission was established. The Governor appoints commission members whose primary duty is to develop and maintain economic development policy for the state; implement strategies to maintain and create family wage jobs and raise wage levels in the Oregon workforce; increase work force skill levels; improve competitiveness of key industries; and achieve Benchmarks established by the Oregon Progress Board. The Commission was instructed to invest public monies to produce the greatest return, to encourage strategies to develop and maintain infrastructure to support and strengthen the economy, to identify and eliminate barriers that impede competitiveness of Oregon businesses, and encourage new and expanding business and industry. The Commission was instructed to coordinate its activities with the Workforce Quality Council. The Commission was also directed to develop a reorganization plan for the Department and to propose legislation to create greater efficiencies in the programs of the Department. The Economic Development Department continued, subject to policy direction of the Commission, to administer the laws concerning economic development. The Department was instructed to reorganize with not more than five divisions. The Governor continued to appoint the Director.

The 1993 Legislative Assembly made the Arts Commission a part of the Economic Development Department. The Arts Commission's mission is to advise the Governor, the Economic Development Commission, the Department, and private entities on development and implementation of state policies and programs relating to the arts. It also helps coordinate arts activities and coordinates grant funding from the National Endowment for Arts.

The *Oregon Option* program evolved from the work of the Oregon Progress Board and was created from a memorandum of understanding between the state of Oregon and the federal government signed on December 5, 1994. The program was a demonstration project focusing on developing partnerships among federal, state, and local governments, non-profit organizations, citizen groups, and the private sector. The goal was to adopt and promote results-based strategies and initiatives that implement the Benchmarks linked to Oregon's strategic plan, *Oregon Shines*. An Executive Order established an Oregon Option Steering Committee consisting of eight

members. Major responsibilities of the committee were to advise the Governor on Oregon Option priorities, a unified federal agenda, and related projects.

The 1995 Legislative Assembly formed the International Trade Advisory Committee within the Department. The Committee's assignment is to review the effectiveness of international trade activities of the state; the structure and organization of the Department's international trade staff; relations between the Department and other state agencies; relations between the state and the federal government; relations between the state and the private sector; the number, staffing, and budgeting of overseas offices; the number, purpose and composition of trade missions conducted by the state; and the number of activities and outcomes of Oregon's sister-state relationships. The Governor appoints the members.

The 1995 Legislative Assembly removed the Film and Video Division from the Department, except for budget coordination, and made it a separate semi-independent state agency called the Oregon Film and Video Office. Its mission remained the same – to provide assistance to movie and television production companies considering the state as a location for feature films, and support Oregon's indigenous film production industry.

The 1997 Legislative Assembly created the Oregon Community Development Fund to provide a funding source for programs and projects that the Economic Development Commission determines will further economic and community development in Oregon. (OL 1997, Ch, 620). It also removed the Job Training Partnership program from the Department to the Office of Community College Services (OL 1997, Ch. 61).

In 1999, the names of the Economic Development Commission and the Economic Development Department were changed to Oregon Economic and Community Development Commission and the Economic and Community Development Department (OL 1999, Ch. 509) reflecting the state's focus on using economic development to foster communities.

Also in 1999, several advisory bodies were assembled to advance telecommunications as economic growth tools. The Connecting Oregon Communities Advisory Board to make recommendations and perform analyses regarding the placement of telecommunications infrastructure in economically disadvantaged and remote areas throughout Oregon (OL 1999, Ch. 1093). The Oregon Internet Commission was created to "examine policies and make specific legislative proposals to ensure that Internet commerce will continue to grow and prosper and deliver economic and social benefits to Oregon" (OL 1999, Ch. 1089). The Commission consisted of 15 members, some Legislators and some appointed by the Governor.

The Economic and Community Development Department created its Telecommunications section to fulfill the provisions of Senate Bill 622. The section assists community and business groups in assessing their needs for telecommunications services; reviews proposals for use of the Telecommunications Infrastructure Account; and prioritizes communities' unmet telecommunications needs (OL 1999, Ch. 1093).

In 2001, the Legislative Assembly created the Advisory Committee on Commercial and Industrial Development (OL 2001, Ch. 812). The Committee focused on ensuring Oregon

communities provide enough viable commercial and industrial lands to promote economic growth in their areas. Also in 2001, the Legislative Assembly directed an outside study to, among other things, clarify the Economic and Community Development Department's performance goals and expectations; and simplify its performance measure reporting process by selecting a set measures that are closely linked to the Department's mission, goals, and objectives (OL 2001, Ch. 948).

Also in 2001, the Legislative Assembly adjusted the mission of the Oregon Economic and Community Development Department in requiring them to "encourage investment in infrastructure projects, including electronic communications and financial resource projects that benefit Internet-based entities and encourage employees to relocate to or remain in Oregon." (OL 2001, Ch. 174). Accordingly, the Telecommunications Coordinating Council (OL 2001, Ch. 699) was formed to study how to provide statewide, regional, and local telecommunications services to underserved areas of Oregon. The Department was directed to staff the Council in cooperation with the Department of Administrative Services and the Association of Oregon Counties. In addition, the Cultural Trust, established under the Secretary of State, was transferred to ECDD to promote and strengthen cultural organizations, sites and efforts within Oregon. Finally, in 2001, the Oregon Progress Board was removed from the Economic and Community Development Department and placed under the Department of Administrative Services (OL 2001, Ch. 582).

Current Organization

The **Office of the Director** provides policy direction and oversees the operating divisions and Business Development Officers.

The **Business and Trade Development Division** helps Oregon business and industry compete globally by developing and expanding export markets. The Division maintains staffed offices and representatives which help companies develop and foster government and business contacts.

The **Central Operations Division** includes Policy and Research, Marketing and Communications, and manages the Department's fiscal affairs, personnel, information systems, facilities, telecommunications assets and related support services.

The **Community Development Division** provides economic development support for communities. It helps communities finance projects to build infrastructure – water systems, sewers, roads, housing and community facilities.

The **Innovation and Economic Strategies Division** provides policy work/support research and input for the agency's programs focusing on sustainability, innovation and economic analysis.

Boards, Commissions, Panels

The **Economic and Community Development Commission** establishes statewide economic development policy and oversees the Economic and Community Development Department. The Commission also advises the Governor and Legislative Assembly on broad economic development opportunities and policies.

The **Oregon Arts Commission**'s mission is to foster the arts in Oregon and ensure their excellence. It provides leadership, funding and services to Oregon artists, arts organizations, students, and communities. It also promotes Oregon's cultural resources outside the state. The Commission determines policy, establishes long-range plans, and reviews applications to nine Regional Arts Councils who directly administer numerous arts programs. The Commission's funds come from three sources: the state General Fund; federal grant funds appropriated through the National Endowment for the Arts; and assessments from state agencies for administration of the Percent for Art Program.

The **Oregon Cultural Trust** works to enhance the livability of Oregon by implementing and sustaining a public/private partnership funding in support of individuals and organizations which promote and protect the humanities, heritage and the arts.

Chronology

1909-1927

- Oregon Conservation Commission is the first formal body created to promote Oregon as a business-friendly location and spur economic growth.

1935

- The State Planning Commission is created to promote Oregon's public works development.

1937

- The beginnings of the Tourist Commission are seeded in the State Highway Commission.

1953

- Oregon Development Commission is created to stimulate and assist local communities, to examine potential for all types of industry and secure new desirable industries and payrolls.

1957

- Oregon Development Commission is abolished and its responsibilities are transferred to the new Department of Planning and Development.
- The Department of Planning and Development is created to formulate and direct programs of planning and economic development for state.

1963

- The Department of Planning and Development became the Planning and Development Division of the Department of Commerce.
- The Arts Commission founded.

1967

- The Planning and Development Division is renamed the Economic Development Division of the Department of Commerce. The Division's Planning role is removed.

1969

- State government is reorganized, the Executive Department is established. The Economic Development Division is transferred to the Executive Department.

1971

- The Economic Development Division is removed from the Executive Department and is established in the Office of Governor.

1973

- The Economic Development Commission is established and the Economic Development Department is also established.
- The Commission is to define priorities, establish a comprehensive policy and plan for balanced economic and community development for the State.
- The Joint Legislative Committee on Foreign Trade is also established.

1975

- The Economic Development Commission is to establish a comprehensive policy and plan for balanced economic and community development including enhancement of world trade opportunities.
- The Joint Legislative Committee on Trade and Economic Development is created, replacing the Joint Legislative Committee on Foreign Trade.

1977

- The Commission's duties are amended to retain language regarding comprehensive policy for economic development and remove language relating to planning for economic development. The Economic Development Department is to formulate and recommend to the Commission a program of economic development for the state.

1981

- The Department is directed to work actively to recruit domestic and international business firms to the state.

1983

- The Commission is to advise the Governor and the Director of Economic Development Department. The Department, considering advice of the Commission is to formulate and recommend a comprehensive policy for a balanced economic and community development to the Governor.
- The Tourism Commission transferred from the Department of Transportation to the Economic Development Department.

1985

- The Finance Committee for the Economic Development Commission is established. The Department is designated as the primary agency to distribute Lottery revenue.

1989

- The Economic Development Commission is to be abolished as of July 1, 1993, and its functions, duties, powers are to be transferred to the Finance Committee for Economic Development or OEDD.
- The Oregon Progress Board is created. The Department is to provide staff.
- The State Agency Work Force Advisory Council is created.

1991

- The Department is directed to establish foreign trade offices.
- The Oregon Workforce Quality Council is established. The Office of Educational Policy and Planning is to provide staff.
- The Pacific Northwest Economic Region is established and entered into. The Parties include Alaska, Alberta, British Columbia, Idaho, Montana, Oregon and Washington.

1993

- The Economic Development Commission is established. The Commission is to coordinate its activities with the Workforce Quality Council.
- The Commission is directed to develop a reorganization plan for the Department and to propose legislation to create greater efficiencies in the programs of the Department.
- The Department is continued, subject to policy direction of Commission, with not more than five divisions.
- The Arts Commission is made a part of the Department.

1994

- The Oregon Option is formed as a result of Memorandum of Understanding between the state and the federal government. It is to coordinate inter-governmental cooperation and develop a unified federal agenda. The Department is to provide staff.

1995

- The International Trade Advisory Committee is established.

1997

- The Community Development Fund is created.
- The Job Training Partnership program is removed to the Office of Community College Services.

1999

- Economic Development Department and Economic Development Commission names changes to Oregon Economic and Community Development Department and Oregon Economic and Community Development Commission.
- The Connecting Oregon Communities Advisory Board is created.
- The Oregon Internet Commission is established.
- Telecommunications section created in the Department.

2001

- The Advisory Committee on Commercial and Industrial Development is created.
- The Legislative Assembly orders a study to clarify the mission and goals and streamline the performance measures of the Economic and Community Development Department.
- The Telecommunications Coordinating Council is formed.
- The Oregon Progress Board is removed to the Department of Administrative Services.
- Oregon Cultural Trust moved to agency from Secretary of State Office.

2003

- Tourism Commission removed from agency and established as semi-independent agency.

Primary Oregon Statutes and Administrative Rule Chapters

ORS 198 – Special Districts Generally

ORS 285a – Economic Development I

ORS 285b – Economic Development II

OAR 125 – Oregon Economic and Community Development Department

OAR 190 – Oregon Economic and Community Development Department – Arts Commission

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