
Oregon Capital Scan 2016

Submitted by:
Lundquist College of Business
University of Oregon

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Sponsored by:



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The mission of The Oregon Community Foundation is to improve life in Oregon and promote effective philanthropy. OCF works with individuals, families, businesses and organizations to create charitable funds to support the community causes they care about. Through these funds, OCF awards more than \$60 million annually in grants and scholarships. Thousands of citizens have created a permanent endowment for Oregon through OCF – an endowment that will help Oregonians today and for generations to come.

Business Oregon

Business Oregon works to create, retain, expand and attract businesses that provide sustainable, living-wage jobs for Oregonians through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies and entrepreneurs. The Oregon Growth Board is one of the key programs of Business Oregon, with a specific mandate to leverage state resources to improve the availability of capital for high-growth companies.

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San Francisco is the headquarters of the Twelfth Federal Reserve District, which includes the nine western states—Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington—plus American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. Of the twelve Federal Reserve Districts, the Twelfth District is the largest by geography and the size of its economy. The San Francisco Federal Reserve’s community development team works with a wide range of organizations to create economic opportunity for lower-income Americans. Our economy can only reach its full potential when everyone is educated, healthy, and has an affordable place to call home. The San Francisco Federal Reserve’s community development team develops and connects best practices and emerging ideas with organizations best positioned to make meaningful change in our most vulnerable communities.

The Ford Family Foundation

The Ford Family Foundation is a private, non-profit foundation located in Roseburg, Oregon. Roseburg lies in southern Oregon where the North Umpqua and the South Umpqua rivers join — timber country. Started in 1957, the Foundation now manages large, internal programs and offers scholarships. In addition, the Foundation makes grants to public charities predominantly benefiting communities in rural Oregon and Siskiyou County, Calif. Our heritage comes from such communities and the men and women who created them.

The Lemelson Foundation

The Lemelson Foundation uses the power of invention to improve lives, by inspiring and enabling the next generation of inventors and invention-based enterprises to promote economic growth in the US, and social and economic progress for the poor in developing countries. Established by prolific US inventor Jerome Lemelson and his wife Dorothy in the early 1990’s, and lead by the Lemelson family, to date the Foundation has provided or committed more than \$185 million in grants and Program-Related Investments in support of its mission.

The Meyer Memorial Trust

The mission of the Meyer Memorial Trust is to work with and invest in organizations, communities, ideas and efforts that contribute to a flourishing and equitable Oregon. The foundation is greatly influenced by the values of its founder, Fred G. Meyer: to innovate, take risks, embrace diversity, adapt to changing circumstances, contribute to economic development/parity and to develop the power of the mind. MMT uses a mix of strategic, proactive and responsive investments to fulfill its mission, including grant making, loans, initiatives, commissioning research, supporting policy advocacy and a range of community and nonprofit engagement strategies.

Northwest Health Foundation

Northwest Health Foundation seeks to advance, support, and promote health in Oregon and Southwest Washington. By providing grants to initiatives, forming partnerships with health and community leaders, and advocating for policy change, we are furthering our vision of giving every person the opportunity to lead a healthy life

Oregon's Office of the State Treasurer

The Office of the State Treasurer is a highly sophisticated organization with a wide range of financial responsibilities, including managing the investment of state funds, issuing all state bonds, serving as the central bank for state agencies, and administering the Oregon 529 College Savings Network. The Treasury is managed like a business, striving to save taxpayers money and earn the highest possible return on investments.

Oregon Small Business Development Network

Since 1983 the Oregon Small Business Development Center Network has built Oregon's best businesses by providing no-cost confidential advising, affordable entrepreneurial education and access to a wide range of specialized services. With 19 Centers serving all corners of the state, Oregon's SBDCs assist small business owners on all aspects of business development, from initial start to growth and transitions. In 2015 the Oregon SBDC Network provided 24,500 hours of business advising to 5,276 Oregon businesses and hosted more than 960 trainings statewide. These efforts resulted in the creation and retention of 2,134 jobs, \$57 million in increased sales and more than \$62 million in capital formation. The Oregon SBDC Network is a partnership with 17 Oregon community colleges, two state universities, the U.S. Small Business Administration, Business Oregon and is part of the nearly 1000 SBDCs in the America's SBDC Network.

ABOUT THE AUTHORS

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I. INTRODUCTION / SUMMARY

In this, the third edition of the series of Oregon Capital Scan reports, we continue to address the topic of capital availability for emerging and growth stage companies within the state. Access to capital continues to be the common concern of entrepreneurs, policy makers, regional foundations, and other economic development organizations. The question, which has always been difficult to answer, is where are the capital availability gaps and what can be done to help improve access to available capital? This report, builds on two previous iterations: the **2012 Oregon Capital Scan** and the **2014 Oregon Capital Scan: A Line is Drawn**. In this report, we have the opportunity to follow a framework of data sourcing established in 2014 and draw direct comparisons by region and by type of capital to **assess if capital flows are increasing or decreasing over time**.

This work, commissioned by The Oregon Community Foundation, Business Oregon, CTC|myCFO, The Ford Family Foundation, The Lemelson Foundation, Northwest Health Foundation, Meyer Memorial Trust, Oregon's Office of the State Treasurer, Oregon SBDC Network, and the Federal Reserve Bank of San Francisco, is a collective effort to enhance the opportunities for business formation and growth in Oregon through a better understanding of the capital sources and gaps. Entrepreneurs, business and community leaders as well as policy makers may all benefit from a greater understanding of the variety of funding sources as well as their relative scale and trends.

The results from this 2016 iteration of the Oregon Capital Scan reveal that there has been a strong improvement in the early stages of the company formation ecosystem. From a rapid growth in accelerators/incubators, to a surge in seed, angel and crowd funding, to an expansion in the resources to be found distributed around the State, Oregon is becoming a more supportive place for new company formation. At the same time, this expansion leads to greater demands for mid-growth stage capital resources. Oregon continues to lag, in both absolute amounts and per capita amounts relative to Washington and California in (1) attracting and establishing resident institutional venture funds, private equity and mezzanine funds and (2) attracting capital to fund working capital expansion associated with inventory and production needs of emerging food and consumer product manufacturing companies.

As a reminder, the gaps outlined in 2012 were: (1) Seed Stage Capital; (2) Growth Capital for Bootstrapped Businesses; (3) Clean Technology; (4) Life Sciences; (5) Growth and Turnaround Capital; (6) Working Capital for Growth of Small Manufacturers; (7) Micro-Lending gap and (8) Non-Bank Loan Capital. All of these gaps continue to exist in varying degrees. Based on the findings in this current report, only the general seed stage capital gap looks to have significantly narrowed over the past four years. Albeit, **regional imbalances still exist**.

Oregon remains a place where knowledge of capital ecosystem and capital accessibility still limits the rate of new company formation and growth. On the one hand, capital scarcity creates a healthy tension that ensures only the worthiest are able to move forward, but on the other hand, scarcity discourages some would-be entrepreneurs from attempting to launch or remain in the State. Education resources, support groups, networks and systems are being discussed and experimented with more so today than when the original report was composed. If the Oregon Capital Scan has helped to align parties, encourage solutions-oriented discussions and enabled a better understanding of the problems to be addressed, then this report has served its highest purpose.

WHO SHOULD READ THIS REPORT?

This report is intended for entrepreneurs, investors, policy makers, business technical service providers, and others who work to support the development of a thriving growth company ecosystem in the State. This includes the sponsors of this report who seek to find new ways to bring together

education and resources to enhance the ability of those who choose to build their companies in Oregon. This report can serve as a baseline of quantitative data that may help everyone to better understand where the State’s capital ecosystem was in 2014-15, compare that time to previous periods, and help measure progress and improvements.

Entrepreneurs and growth company leaders may also benefit from this report as they form their capital acquisition strategies. This report will provide a beginning understanding of the breadth of capital sources in the state of Oregon.

II. FRAMEWORK

This report is based on a variety of datasets, both public and private. Where published quantitative data was not readily available, the research team performed qualitative interviews and attempted to assemble presentation information that would provide a picture of the scale of capital available – though these results may not represent all of the capital available in a particular segment. Because data was sourced from multiple providers, both public domain and private industry databases, discrepancies may be found throughout the report. For example, venture capital investment activity was sourced from three different providers and while their totals are found to be generally in agreement, they are not precisely matching. Each data source, cited where used throughout the report, provides a useful perspective and has been included for that reason. Where there were multiple data sets that reported on a domain, or only partial data sets, they are reported together and attention is called to the point.

GROUPINGS OF EMERGING/GROWTH CAPITAL SOURCES COVERED

This report will address the following segments:

- Accelerators and Incubators
- Commercialization Grant Programs (SBIR, STTR, ONAMI, OregonBEST)
- Crowdfunding
- Seed, Angel, and Angel Conference Funding
- Economic Development Districts & Micro-Loans
- Community Development Financial Institutions (CDFI)
- USDA Rural Loan Programs
- New Market Tax Credits
- Venture Capital
- Small Business Administration (SBA) Loans
- Traditional Bank Small Business Debt
- Private Equity, M&A, Buyout, Secondary, and IPO Activity
- Grant-making Foundation Funding

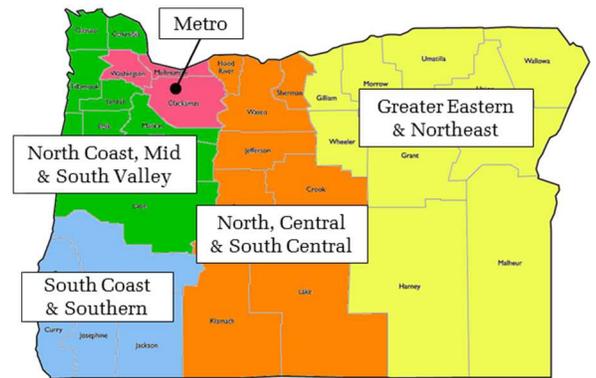
These sources are not an exhaustive list of sources and flows of emerging growth and growth capital in the State, but will present a fair representation of the breadth of sources and provide entrepreneurs, business owners, community leaders, and policymakers with a greater awareness of the scope and scale of capital in the state. These categories also do not perfectly communicate the form of capital being used. For example, CFDIs are an entity type that may provide multiple forms of financing. We encourage the reader to visit the sections of this report to better understand each type of provider and the forms of capital they represent. What cannot be captured in this report is an accounting of self-funded or “friends-and-family” funded enterprises, and it is believed that they account for a significant share, by transaction count and dollars, of financing for small business formation in the State.

REPORTING REGIONS USED IN THIS REPORT

As with the 2014 version of this report, results are presented with a view organized in alignment with the former Oregon Regional Solutions framework. This report uses 5 regional zones as described hereafter. The State of Oregon subsequently organized the ORS regions into 12 regional economic development districts¹. For the purposes of this report, and to help draw comparisons between 2014-15 and 2012-13, data will be presented based the 5 larger region framework. To segment the results into 12 districts throughout the report would fragment the comparability within the report and therefore reduce the instructive power of the conclusions. The data tables in this report often list results by city as a subset of the regional area, so it is possible for anyone seeking more localized comparisons to draw those results from the report. Oregon Solutions based on county clusters are grouped as follows:

- Greater Eastern & Northeast** – this region includes Baker, Gilliam, Grant, Harney, Malheur, Morrow, Umatilla, Union, Wallowa and Wheeler counties.
- Metro** – this region includes Clackamas, Multnomah and Washington counties.
- North, Central & South Central** – This region includes Crook, Deschutes, Hood River, Jefferson, Klamath, Lake, Sherman and Wasco counties.
- North Coast, Mid & South Valley** – this region includes Clatsop, Columbia, Tillamook, Benton, Lane, Lincoln, Linn, Marion, Polk and Yamhill counties.
- South Coast & Southern** – this region includes Coos, Curry, Douglas, Jackson and Josephine counties.

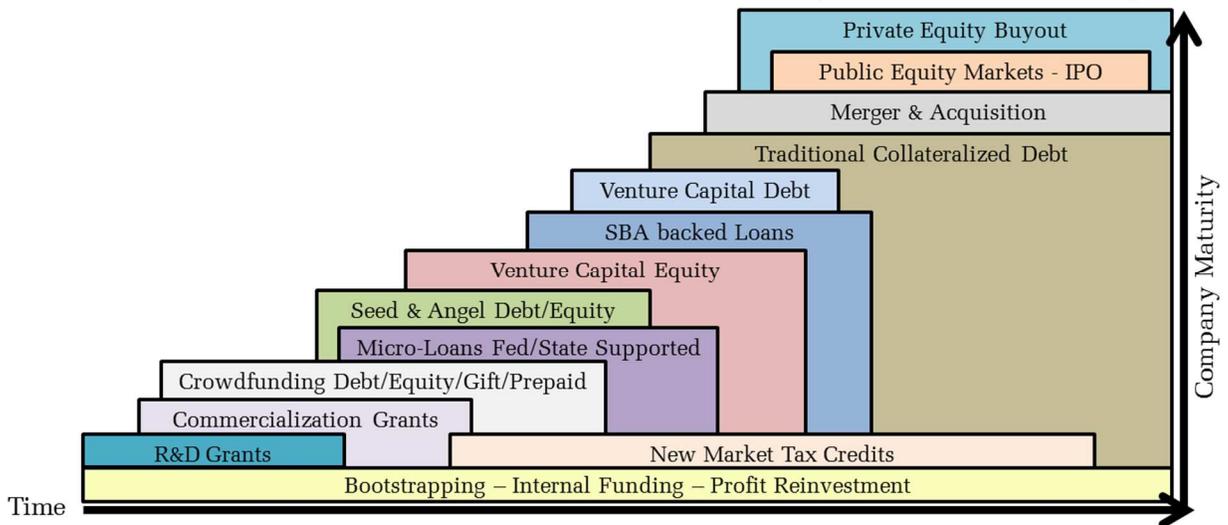
Figure A: Oregon Regional Map



III. STAGES OF EMERGING/GROWTH COMPANY CAPITAL SOURCES

BUSINESS FUNDING LADDER REVISITED

Figure B – Business Funding Ladder



¹ http://www.rdiinc.org/oregon_economic_development_districts_0

In the 2014 report, a concept was introduced called the “Business Funding Ladder”. This concept was intended to communicate that there are multiple funding sources available to emerging and growth companies in the State and that they are typically growth stage focused. The concept also concluded that the majority of entrepreneurs have a limited understand of the variety of capital types or the norms associated with securing these resources. Please see the prior report² for a more detailed description of the ladder concept and definitions of the various capital types may be found in the appendix of this report. The graphic used for this report has been updated in an attempt to clarify the types of capital used within each category more clearly. The types represented are predominant but not exclusive relative to their timing or in relation to neighboring capital types. Often a combination of capital sources will co-exist within a growth company’s financing strategy. The principles described remain relevant to this iteration of the Oregon Capital Scan report and so will the data presentation methodology consistent with this concept – organizing data in a continuum from very early stage capital sources to those relevant to more mature growth companies.

MAP OF OREGON’S GROWTH CAPITAL ECOSYSTEM

Another approach to visualizing the Oregon capital ecosystem and its multiple forms of growth capital comes from a recent study prepared by Smith & Connors³, based in Portland. In a project commissioned by The Meyer Memorial Trust in 2016, the following graphic was developed to represent both the variety of capital types and also the relative company development stage fit of those capital types. The advantage of this graphic is how well it represents the sources of capital that are in addition to the relatively well known “Venture Capital” pathway. Through workshops run by Meyer Memorial Trust and Smith & Connors in conjunction with this work, it has been shown that general understanding of the government and non-profit (which also includes some of the debt instruments) is less well understood by aspiring entrepreneurs in the state. Helping growth company entrepreneurs to more easily access and evaluate these capital sources is one of the findings that workshop developed. For the full report, we direct the reader to the Meyer Memorial Trust’s website and the report entitled: “2016 Report on Oregon’s Capital Ecosystem”⁴

The description of the graphic taken from the original report:

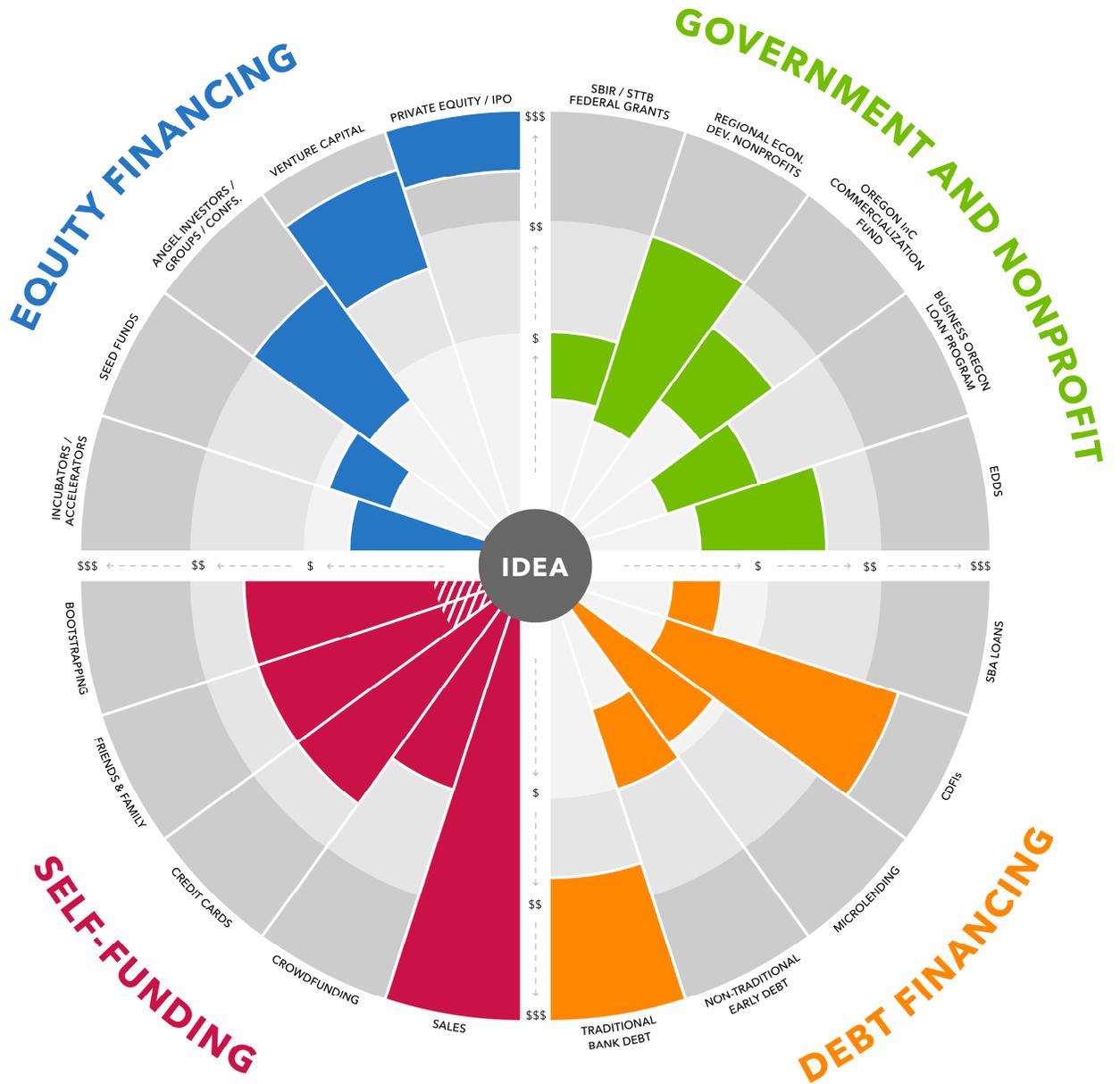
The capital ecosystem is organized into four quadrants. The scale radiates out from the entrepreneur’s idea (which costs nothing) to maturity. Along the way, the business seeks funds where possible. Sometimes the capital sources are connected, and sometimes the entrepreneur encounters gaps. The scale of the map (from \$ to \$\$\$) is relative to the quadrant and the type of company — for example, a services-oriented company might require less capital than one manufacturing consumer products. One note: the cross-hatching in the Self-Funding quadrant represents the initial gap many potential entrepreneurs face if they do not have financial resources to get up and running.

² http://www.oregoncf.org/Templates/media/files/jobs_and_economy/or-capital-scan-2014.pdf

³ <http://www.smithandconnors.com/>

⁴ <https://mmt.org/>

Figure C: Map of the Oregon Capital Ecosystem.
 Source Meyer Memorial Trust, Smith & Connors, 2016



Smith
 & Connors

IV. FINDINGS

ACCELERATORS, INCUBATORS, AND BUSINESS TECHNICAL SERVICE PROVIDERS

The number of accelerators and incubators is increasing year by year. **The list of 38 resource entities in Oregon provided in the 2014 Oregon Capital Scan report has now grown to 70. This growth represents a significant change in the landscape for early stage company formation and growth.** There are now incubators and accelerators that cater to a wide variety of company types and industries. Still, there are areas in need of improvement. To find the gaps in business resources provided, we conducted interviews with some of the operators of these entities in Oregon, as well as some of the entrepreneurs that use them. Based on those interviews, a survey was developed that was distributed to the 70 accelerator/incubator entities in Oregon. Approximately 35 responded to the survey. Before data analysis, a description of the differences between Accelerators, Incubators and Co-working spaces is warranted:

- Accelerators generally take a small equity stake in startups, have a more rigorous acceptance process, last three-to- 12 months, and take a long-term view.
- Incubators, meanwhile, will typically not make investments, but offer short-term resources and a supportive community for like-minded entrepreneurs.
- Co-working spaces are similar to incubators, but sometimes only offer a place to work without the resources that may come with an incubator. They typically charge a monthly membership fee⁵.

The summary of accelerators and incubators in Oregon is primarily qualitative as quantitative measures of the in-kind capital contributed would often be a subjective assessment and difficult to compare. Still, there is value to entrepreneurs, early-stage investors, educators, and policy makers to understand the variety of the offerings and the rapid growth of these services in Oregon.

Chart 1: Accelerator/Incubators Regional Distribution

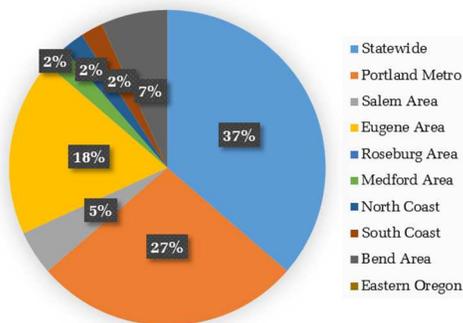
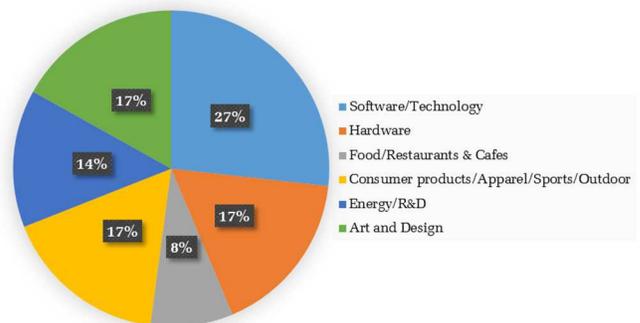


Chart 2: Accelerator/Incubators Industry Focus



⁵ Source-Mapping Seattle's incubators, accelerators and co-working spaces, Taylor Soper, 3/25/2015, www.geekwire.com/author/taylor-soper

Chart 3: Resource Prevalence at Surveyed Incubator/Accelerators n=35

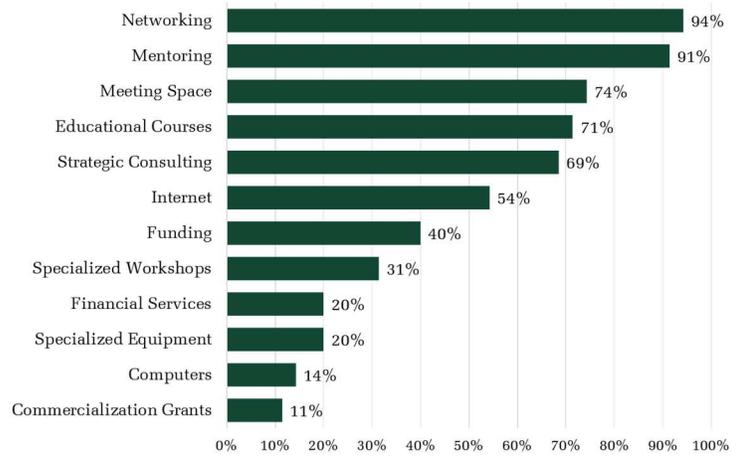


Chart 4: Question to Incubators/Accelerators – “What do you think entrepreneurs in Oregon find challenging?” Score from 0 (least challenging) to 4 (very challenging)

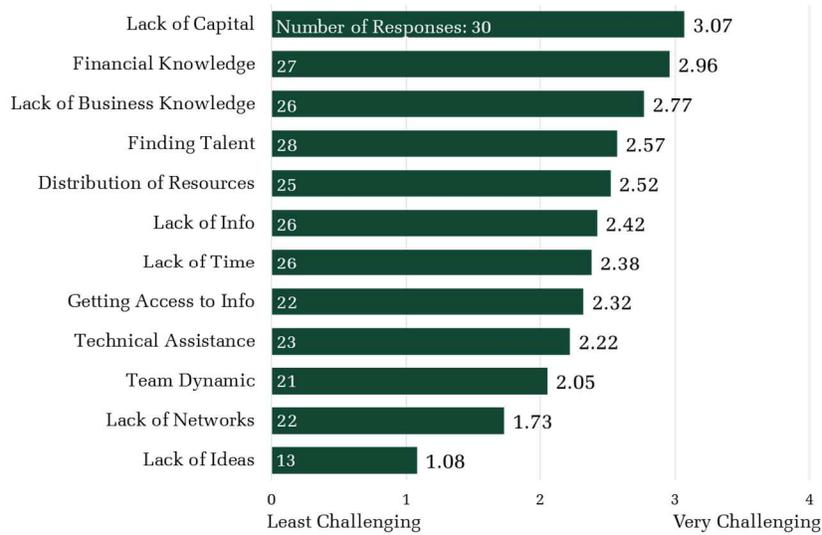


Table 1: Accelerators, Incubators, Workspace, Business Technical Service Providers in Oregon

Entity	T	Specialty	Description	City
 ADX Portland http://adxportland.com/	A W M B	Consumer products/ Apparel/ Sports/ Outdoor, Art and Design, Shared tools/Space	In the years following our launch, ADX has incubated over 100 businesses, helped 200 crowd-funded projects reach their goals, and provided a home-away-from-home for thousands of designers, builders, entrepreneurs, hobbyists, designers and artists. What began as a D.I.Y, bootstrapped makerspace has quickly become a local hub for both artists and artisans, pioneering a new model for both education and the modern sharing economy.	Portland
 Atlantis Downtown www.atlantisdowntown.com	W	Software/ Technology	Atlantis Downtown is a co-working space for technology innovators and offers Web Development, Search Engine Ranking, Lead Generation.	Eugene
 Bend Outdoor Worx http://bendoutdoorworx.com	I A	Consumer products/ Apparel/ Sports/ Outdoor	BOW's goal is to scale outdoor startups in Central Oregon. Since 2014, BOW has worked with eight start-up outdoor companies providing them with mentorship from their industry founders and an extended mentor group. Through a process of discovery meetings, analyzation and curriculum building, BOW determined the company needs and provided guidance. The accelerator supports these companies by aligning them with additional resources needed to succeed, including legal, financial, marketing, logistics, sales, and product development.	Bend Oregon
 Besthq http://besthq.net/	I	General	BESThq works to sustainably grow small businesses through strategic planning, risk management and profitability while being recognized as a model for Oregon Benefit Companies.	Beaverton
 Bridgelab (@PNCA) http://bridgelabpnca.tumblr.com	I	General	BridgeLab is PNCA's new entrepreneurial resource and development program for creative people. We offer right-brain thinkers like you education and support in business essentials from budgeting and contracts to marketing and taxes. With programs for students, alumni, and the greater community of artists, designers, and makers, we help you thrive as a creative professional at every stage in your career.	Portland
 Business Oregon http://www.oregon4biz.com	B	General	Business Oregon helps Oregon businesses locate, grow, export & expand. They provide technical assistance, industry support, and business loans with lottery dollars. Business Oregon is the state's economic development agency. The Business Oregon Commission oversees the agency's activities to ensure a coherent, integrated approach to economic development and a continuous policy direction that can transcend changes in executive and legislative leadership. Business Oregon works to create, retain, expand and attract businesses that provide sustainable, living-wage jobs for Oregonians through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies and entrepreneurs. The Oregon Growth Board is a specific entity tasked with building capital resources within the state through investing.	Salem Portland

Entity	T	Specialty	Description	City
 <p>Business Utility Zone Gateway http://www.buzgate.org</p>	B	General	The Business Utility Zone Gateway (BUZGate.org) is an online resource community aimed at freelancers, the self-employed, small and medium-sized business owners. At their site, they list free government and nonprofit small business assistance programs, provide information resources, and offer learning series targeted to supporting venture start-up, growth and profitability.	Statewide
 <p>Cambia Health Solutions Strategic Investing https://www.cambiahealth.com</p>	B	Healthcare	We're taking significant steps, and looking for partners, to help fix the broken healthcare system. We're redefining corporate investing with a long-term strategic investment model that has more flexibility than traditional venture funds. We're partnering with innovative companies that are also thinking differently. We invest in companies that leverage innovation technology to transform the health care system, make it more person focused and economically sustainable. Together we're identifying bold, new and original ways to meet the needs of tomorrow's health care consumers in an economically sustainable way.	Pacific Northwest
 <p>CCD Business Development Corporation http://ccdbusiness.org/</p>	B	General	CCD is very active in the area of private business lending and was designated in 1981 by the Small Business Administration as a Certified Development Company. CCD assists with financial consulting for business start-ups, acquisitions and expansions for land, buildings and equipment. The Enterprise Zone program was designed to create jobs and local incentive by providing tax incentives to qualifying businesses and industries.	Roseburg North Bend
 <p>Center of Excellence Global Business Development http://coeglobal.com</p>	A W	General	The Center's full suite of services address every aspect of the product engine development process, from concept design to development engineering and production. The material toolkit provides resource access to facilitate commercialization, and is complemented by extensive business network services. The COE works with clients from the initial concept stage through product delivery, developing customized programs based on client needs and requirements. The COE is open to all verticals--from footwear to software to cannabis, etc.	Portland
 <p>CENTRL Office http://centrloffice.com/</p>	W	Software/ Technology/ Art and Design	CENTRL Office provides a range of flexible co-working space options, including day passes, dedicated desks, private workrooms and open desks. All options require membership and include unlimited use of common spaces, free access to our social/educational events, and discounted pricing for meeting/event spaces. Renting co-working space is the ideal cost-effective solution for some of Portland's hottest start-ups and small businesses CENTRL Office is a collaborative, co-working space in Portland, Oregon's creative district – The Pearl. We provide flexible full-service co-working space for entrepreneurs, free agents, start-ups, and work groups in the historic GE Supply Co. building, featuring bow trusses, steel windows and concrete floors.	Portland

Entity	T	Specialty	Description	City
 <p>CodeChops https://www.codechops.com</p>	W B	Software/ Technology/ Art and Design	CodeChops is located on the second floor of the newly remodeled Broadway Commerce Center on the corner of Willamette and Broadway. They are the first modern shared / co-working space in Eugene.	Eugene
 <p>Collective Agency http://collectiveagency.co/</p>	W	Software/ Technology/ Consumer products/ Apparel/ Sports/ Outdoor/ Energy/ R&D/ Art and Design	Collective Agency is a co-working space in Portland that offers entrepreneur training, market validation/research, marketing, networking, office space, seminars, small business advice, and website help. They have expertise in mobile apps, open source, social-cause business, software, sustainability, and web apps.	Portland
 <p>DIYcave http://www.diycave.com/</p>	W M	Software/ Technology/ Hardware/ Art and Design/ Prototyping	DIYcave, a Makerspace in Bend, OR, is based on a premise of self-reliance, responsibility and sharing. The makerspace is striving to provide quality tools for use in a safe environment.	Bend
 <p>Drive Oregon http://driveoregon.org</p>	A B	Electric mobility	<p>Drive Oregon is a nonprofit 501(c)(6) trade association dedicated to growing the electric mobility industry in Oregon. Members include innovators, entrepreneurs, and established industry leaders throughout the entire supply chain. As a member, you are provided with essential resources, the latest industry information and exclusive business development opportunities for building key relationships that strengthen your business.</p> <p>Drive Oregon’s mission is to promote, support, and grow the electric mobility industry in Oregon. We envision Oregon as a leader in the rapidly growing electric vehicle industry, providing thousands of family wage jobs in a range of businesses delivering infrastructure, components, specialized vehicles, and support services.</p>	Portland
 <p>East Multnomah Soil & Water Conservation District Headwaters Farm Incubator Program https://emswcd.org/farm-incubator/</p>	I	Food & Agriculture	Headwaters Farm Incubator Program is designed to assist in the development of new farmers. The program involves leasing out sections of EMSWCD’s Headwaters Farm to motivated, experienced individuals who will use it as a launching pad for their own farming endeavors. EMSWCD seeks to use Headwaters Farm as a launching pad for farm businesses by providing the resources necessary to helping farmers overcome these barriers. And, in doing so, help keep good farmland in production while adding to the diversity of the local “farmscape.”	Portland

Entity	T	Specialty	Description	City
 <p>Economic Development for Central Oregon (EDCO) https://edcoinfo.com</p>	B	Software/ Technology/ Hardware/ Consumer products/ Apparel/ Sports/ Outdoor/ Energy/ R&D	EDCO is a nonprofit corporation whose mission is to create a diversified local economy and a strong base of middle class jobs in Central Oregon. EDCO focuses on three main areas of business development: relocation, starting a business, and growing local traded-sector companies. EDCO guides employers outside the region through the relocation process. They mentor and advise scalable young companies from concept to exit on issues such as access to capital, critical expertise, and strategy. And, they partner with local traded-sector companies to help them grow and expand.	Bend, Madras, Redmond, Prineville, La Pine, Sisters
 <p>E::SPACE Technology Incubator</p> <p>ESpace Labs, LLC http://www.espacelabs.com/</p>	I	Technology	E::SPACE Labs is a membership based technology incubator dedicated to advancing the high-tech electronic hardware device industry in Central Oregon. We provide engineering tools and high level technical education to those with an interest in electronic hardware design coupled with training courses focused on the needs of startup operations. We operate an electrical engineering and electro-mechanical engineering lab that provides the test equipment and engineering software tools necessary for electronic device development and associated electro-mechanical design. We also offer technology-related classes providing skills needed to work in the high-tech industry.	Bend
 <p>Eugene Mindworks http://eugenemindworks.com</p>	I W B	Software/ Technology/ Art and Design/ Nonprofit/ Social services	Eugene Mindworks creates a collaborative environment to connect start-ups with the digital creatives needed in today's business world.	Eugene
 <p>FERTILAB Fertilab http://fertilabthinkubator.com/</p>	I W	General	FertiLab is an independent non-profit organization focused on economic development through innovation and entrepreneurship. They have a community-focused tech incubator offering access to space, technology support, and business mentorship with the intent to fuel education, personal innovation, and business development in Oregon.	Eugene Springfield
 <p>Food Innovation Center Agricultural Experiment Station Oregon State University</p> <p>Food Innovation Center http://agsci.oregonstate.edu/feature/food-innovation-center</p>	I	Food & Agriculture	The Food Innovation Center (FIC) is a unique urban Agricultural Experiment Station located in Portland, Oregon. As part of Oregon State University, the FIC serves the Northwest food industry and communities, as well as national and international businesses. The FIC has three areas of excellence: a product and process development team to help new and established entrepreneurs bring products to market; a full service consumer sensory testing laboratory; and a food safety hub for education, testing and engineering.	Portland

Entity	T	Specialty	Description	City
 <p>Forge Portland http://www.forgeportland.org/</p>	A I W	General	Forge Portland is a community based accelerator and coworking space for social enterprises and freelancers trying to do good in the world. As a forerunner in the next generation of shared workspace we actively recruit innovative organizations with common objectives and challenges to create a synergistic work environment. Forge members have access to a suite of free services designed to help them run more efficiently. Members have access to free accounting templates, legal referral, business development, mentorship and intern placement.	Portland
 <p>Founders Pad http://www.founderspad.com</p>	A	General	We believe substantial value is created when we spend quality time working together in a focused manner – not in a classroom, group cohort, or mass incubator, but on the job at hand. Consequently, we've grown to appreciate quality over quantity. Since FoundersPad's first project in 2012, we've selectively worked with fewer than 20 companies. To date, those graduates have raised over \$8.5M in funding and collectively have close to 50 employees. We work with early-stage, preferably post-revenue growth companies. We look for strong teams with relevant experience, large market opportunities and scalable business models. In addition to our own funding capacity, we have close connections with active investors including Seven Peaks Ventures, the Bend Venture Conference, regional VC funds, and various angel sources.	Bend
 <p>Gaucho Collective https://gauchocollective.com</p>	W	Software/ Technology/ Art and Design	Gaucho Collective is a coworking space located in downtown Klamath Falls. They offer work or study space for entrepreneurs, students, freelancers, and others who want a place with blazing fast internet and a cool, creative vibe.	Klamath Falls
 <p>Gorge Innoventure Invention, Innovention, & Entrepreneurship Gorge Innoventure http://www.gorgeinnoventure.com</p>	A I W B	General	Gorge Innoventure is a business accelerator that helps growth startups and expanding companies connect to the resources they need to be successful and create jobs. We help growth businesses by providing collaboration and meeting space, education and networking activities and access to expertise and capital.	Hood River
 <p>GCAP Oregon's Procurement Technical Assistance Center Government Contract Assistance Program http://gcap.org</p>	B	Government Contracting	GCAP's mission is to assist Oregon small businesses to succeed in obtaining Government Contracts, which stimulate the growth of Oregon's economy. For over 25 years GCAP has assisted Oregon small businesses in creating jobs, fostering economic diversity, and becoming successful government contractors	North Bend Springfield Portland Bend La Grande Grants Pass
 <p>Scale Oregon groworegon@bizcenter.org www.bizcenter.org</p>	A	General	The state's Scale Oregon Program focuses on the concept of economic gardening, and is administered by the Oregon Small Business Development Center Network (OSBDCN). The program uses teams of highly experienced business advisors who can help assess your current business and provide tools to create sustained growth.	Statewide

Entity	T	Specialty	Description	City
 <p>Hacienda COMMUNITY DEVELOPMENT CORPORATION</p> <p>Hacienda Community Development Corporation http://www.haciendacdc.org/</p>	I	Food/ Restaurants & Cafes	Hacienda houses the Micro Mercantes program and The Portland Mercado. Micro Mercantes offers services for small businesses, particularly culinary businesses, including: training, advising, an affordable commercial kitchen and some sales opportunities. We also offer additional opportunities such as industry specific training, access to capital, legal advice, and sales. Our focus is businesses owned by people who identify as women or people of color, with a strong emphasis in the Latino community. The Portland Mercado is a place for commerce promoting the richness of Latino culture and cuisine. Businesses in the Portland Mercado include an affordable commissary kitchen that houses the Micro Mercantes program, fresh and prepared foods from various regions in Latin America, specialty food and products, service providers and other culturally-welcoming businesses trusted by the Latino community.	Portland, Mollala
 <p>Hatch Innovation http://hatchthefuture.org/</p>	A W B	Social enterprise/ Rural and underserved communities	Hatch Innovation enables people to build enterprises that improve communities. We are a 501(c)(3) social enterprise based in Portland OR since 2004. Our initiatives fall into four categories and impact local to global audiences. PurposeWorks is a clear path to get social entrepreneurs through the launch process. Hatch Labs is a local place and community in which ideas for a better world can be tested. Hatch Oregon is a profit mechanism for Oregonians to raise local investments and operates the InvestOR Ready Accelerator. ComCap is a policy platform for ecosystem developers to implement best practice for community capital.	Portland, Baker City
 <p>High Desert Maker Mill https://makermill.org/</p>	W	Science/ Technology/ Engineering/ Arts	High Desert Makers is a Bend, Oregon-based 501(c)(3) nonprofit which serves as a community resource leading projects, activities, and events supporting the activities and interests of Makers, Maker Culture, and the Maker Movement throughout Central Oregon. The focus is primarily focused on “STEM” and “STEAM” subjects — Science, Technology, Engineering, Arts, and Mathematics. High Desert Maker Mill is an assumed business name of High Desert Makers and represents a core program of the organization.	Bend
 <p>KitchenCru http://www.kitchencru.biz/</p>	I	Food / Restaurants & Cafes	KitchenCru is more than a community kitchen: it's a culinary incubator. KitchenCru supports culinary inspired entrepreneurs in developing, operating, and growing a successful business. They provide complete access to a fully equipped, licensed, commercial kitchen and private event space. They also provide support and business referrals to professional services, including accounting, legal, insurance, banking, graphic design, marketing and advertising. The space encourages collaboration and advancement in the Portland food and drink community	Portland

Entity	T	Specialty	Description	City
 <p>Mercy Corps Northwest https://www.mercycorpsnw.org/business</p>	B	Hardware/ Food/ Restaurants & Cafes/ Consumer products/ Apparel/ Sports/ Outdoor/ Art and Design	Mercy Corps Northwest believes that everyone should have the opportunity to improve their life regardless of their background. By investing in those without ready access to resources, existing economic disparities will become more equitable and motivated, hardworking individuals and families will have opportunities to break intergenerational cycles of poverty for good.	Portland
 <p>Meriwether Group https://meriwethergroup.com/</p>	A	General	Meriwether Accelerators is the ignition point for any entrepreneur or business manager seeking to accelerate his or her business. Whether it's an emerging start-up, execution help with key growth opportunities, an infusion of fresh capital or a graceful succession plan, every disruptive consumer brand has different needs and that's why Meriwether's services are as diverse as the clients we serve.	Portland
 <p>MESO <small>Micro Enterprise Services of Oregon</small> Micro Enterprise Services Of Oregon (MESO) http://mesopdx.org/</p>	B	Food/ Restaurants & Cafes/ Consumer products/ Apparel/ Sports/ Outdoor/ Art and Design	Micro Enterprise Services of Oregon seeks to improve the economic opportunities of underserved individuals through empowerment, education, and entrepreneurship for the benefit of families in the greater community. An experienced and dedicated staff provides a minimum of three years of support, ranging from business planning, goal implementation, marketing, consulting, and financing. MESO offers business mentoring and assistance, a matching grant program, classes, market research services and databases, and CapitalLink-a loan program for unbanked entrepreneurs.	Portland, Beaverton, St. Helen's, Woodburn, Milwaukie, Salem
 <p>NEDCO <small>Neighborhood Economic Development Corporation</small> NEDCO http://nedcocdc.org/</p>	I	General	For more than 35 years, NEDCO has been building opportunities in our community. By supporting financial stability and responsible homeownership, providing access to markets for local farmers and food producers, creating unique programs for micro-businesses and fueling the renewed interest in downtown Springfield, NEDCO is helping people build a future with promise.	Springfield
<p>NedSpace http://www.nedspace.com/</p>	W	General	NedSpace provides 15,000 square feet of great office space in the heart of downtown Portland for co-working, startups, entrepreneurs, freelancers, designers, and remote workers	Portland Gresham
 <p>Oregon Association of Minority Entrepreneurs http://oame.org</p>	I B	Construction	OAME is a non-profit, tax exempt membership organization with a mission to eliminate discrimination and racism by promoting and developing entrepreneurship and economic development for ethnic minorities in the State of Oregon & SW Washington. The 850-member association is a collection of entrepreneurs, public agencies, partner non-profits and large businesses. OAME provides free technical assistance and business counseling, access to capital (including SBA microloans), incubator office space, a program that matches small businesses with contracting opportunities, and bi-monthly networking meetings.	Portland

Entity	T	Specialty	Description	City
 <p>Oregon SBDC Network Capital Access Team http://www.bizcenter.org</p>	A I B	General	<p>The Oregon Small Business Development Center Network (OSBDCN) provides advising, training, online courses and resources for businesses throughout our state. Our 19 conveniently-located Centers assist business people in every aspect of business development and management. Oregon's SBDCs deliver our services to anyone who owns or operates a business or is planning to start a business. We work with businesses in every industry and at every stage of growth. In addition to no-cost confidential advising, we offer training and online courses that cover a wide range of business topics. Multiple locations: Portland, Grants Pass, Albany, Bend, Clackamas, Eugene, Grants Pass, Gresham, Klamath Falls, La Grande, Lincoln City, Medford, North Bend, Ontario, Pendleton, Portland, Roseburg, Salem, Seaside, The Dalles, Tillamook</p>	Many
 <p>Oregon SBDC Network Capital Access Team http://www.bizcenterCAT.org</p>	B	General	<p>OSBDC Capital Access Team bridges the gap between small businesses that are seeking access to capital and funders who are looking for qualified borrowers. The Oregon SBDC Network's Capital Access Team (CAT) has regional advisors across the state that provide expert guidance to client businesses on how to get funding. The CAT advising team assists business owners statewide via confidential face-to-face meetings and distance advising.</p>	Portland, Salem, Grants Pass, Medford, Coos Bay, La Grande
 <p>Oregon Story Board Accelerator http://www.oregonstoryboard.org</p>	A	Digital Storytelling	<p>Oregon StoryBoard Accelerator (OSBA) is helping build Oregon's digital storytelling cluster—film/video, animation and visual effects, gaming and content creation. OSBA is providing new companies access to shared state of the art technology, business mentoring and marketing, and access to investors. In addition to funding, OSBA provides access to industry executives and mentors to help businesses create the future of digital storytelling and build great companies of their own. We also support companies with facilities, visibility, and proactive engagement around business opportunities that emerge from the program. We provide the opportunity to pitch to angel investors, venture capitalists, industry influentials, press, and the public during our end-of-program Demo Day.</p>	Portland
 <p>Oregon Technology Business Center (OTBC) https://otbc.org/</p>	I	Software/ Technology/ Hardware/ Consumer products/ Apparel/ Sports/ Outdoor/ Energy/ R&D	<p>OTBC is a non-profit incubator that helps entrepreneurs identify and attain their goals at whatever stage they are at, whether it's validating a market, developing a strategy, developing and executing on a funding plan, or dealing with the challenges of managing and growing a start-up. To do that, OTBC provides mentoring, flexible office space, workshops, networking, gigabit internet access and more. These services are provided in 3 programs: OTBC incubator residency, OTBC/Beaverton \$100,000 Startup Challenge, and Virtual Incubation Program.</p>	Beaverton

Entity	T	Specialty	Description	City
 <p>Oregon Manufacturing Extension Partnership https://www.omep.org/</p>	B	Manufacturing	OMEP was founded to help Oregon manufacturers become more competitive in the global marketplace. Today, we like to use the word 'Results' to capture our relentless commitment to client success. OMEP hasn't changed this commitment in 20 years.	Portland
 <p>Oregon Wave Energy Trust (OWET) http://oregonwave.org</p>	B	Energy/ R&D	Oregon Wave Energy Trust (OWET) is a nonprofit, public-private partnership that is helping to responsibly develop ocean energy by connecting stakeholders, supporting research and development, and engaging in public outreach and policy work. OWET works with a wide range of stakeholders including: fishing and environmental groups, utilities, industry, government and interested citizens.	Portland
 <p>OSU Advantage Accelerator http://advantage.oregonstate.edu/advantage-accelerator</p>	A	Software/ Technology/ Hardware/ Food/ Restaurants & Cafes/ Energy/ R&D	The OSU Advantage Accelerator (OSUAA) operates a hybrid accelerator incubator program for startup and early stage technology businesses in the mid-Willamette Valley, mid-coast region, and the extended OSU community. They are an Oregon RAIN accelerator. The goal of the OSUAA Program is to assist in the development of new technology businesses through steady, controlled growth and the creation of local and regional jobs. Their goal is to launch each venture with a robust and successful growth strategy. OSUAA provides resources to drive bottom-line business success, solve problems, commercialize innovations and launch companies.	Corvallis Newport Bend
 <p>Oregon Translational Research & Development Institute OTRADI http://www.otradi.org/</p>	I B	Software/ Technology/ Bioscience and digital health	The Oregon Translational Research and Development Institute (OTRADI) is a 501(c)(3) non-profit research and economic development institute whose mission is to accelerate bioscience industry growth and job creation for the State of Oregon. OTRADI is committed to economic development, startup business incubation, and broad-based scientific and entrepreneurial mentoring, with the goal of spurring development and translation of innovative research into products and companies that benefit human health. In 2013, OTRADI opened Oregon's first and only bioscience-focused business incubator--the OTRADI Bioscience Incubator. Since opening, the OTRADI Bioscience Incubator has grown from six to thirteen startup companies.	Portland Corvallis

Entity	T	Specialty	Description	City
 <p>Portland Incubator Experiment (PIE) http://www.piepdx.com</p>	A	Software/ Technology/ Hardware	<p>Begun as a conversation eight years ago, the Portland Incubator Experiment — known more commonly as PIE — has become an ongoing collaboration between the startup community and Wieden+Kennedy, the largest privately held creative advertising agency in the world. Throughout its history, PIE has served as a curated co-working space, a community event space, a startup accelerator, a flashpoint for corporate innovation, and a home-away-from-home for startup types — and the startup curious — from around the world. It's all part of an ever-changing experiment created to test how startups, brands and corporations can collaborate without killing each other.</p>	Portland
 <p>Portland Made http://www.portlandmade.com/</p>	W M	Digital Storytelling / Art	<p>Portland Made is a digital storytelling platform and advocacy center for Portland's maker movement. Portland Made is a self-sustaining collective of makers, artisans and manufacturers that advocates and supports its members by providing education and marketing, a shared resource hub, and a brand that promotes their products locally and globally. We represent companies that generally have under 200 employees and a strong commitment to growing locally.</p>	Portland
 <p>Portland Seed Fund http://www.portlandseedfund.com</p>	V C	Software/ Technology/ Hardware/ Consumer products/ Apparel/ Sports/ Outdoor/ Energy/ R&D	<p>The Portland Seed Fund is a privately managed fund and non-resident accelerator focused on providing emerging companies the capital, mentoring, and connections to propel them to the next level. PSF takes applications for their 90-day mentor-led program. PSF primarily invests in technology oriented companies, specifically software, mobile, consumer internet, and internet infrastructure, but has invested in other industries including active apparel and clean tech.</p>	Portland
<p>Portland State Social Innovation Incubator http://www.pdx.edu/impactentrepreneurs/incubator</p>	I	Social Innovation	<p>The SII provides social venture startups with the "4 Cs:" Capacity by helping to navigate those tricky impact startup questions; a Community of peers and supporters, Connections to advisors, funders, volunteers and customers; and Credibility from participation and exposure. Graduates of Portland State's online Business of Social Innovation certificate have priority for our 3-5 yearly incubator openings.</p>	Portland
 <p>Portland State University Business Accelerator http://www.pdx.edu/accelerator</p>	A I M	Software/ Technology/ Hardware/ Energy/ R&D	<p>The PSU Business Accelerator is an entrepreneurial community home to more than 30 promising technology and science startups, including spinouts from all major Oregon research universities. The Accelerator offers Resident and Affiliate member options to startup companies. Residents lease office space at the Accelerator; Affiliates have virtual or desk-lease options. Targeted sectors include bioscience, clean or green technology and software/technology. Admission is highly selective for Residents. Priority candidates have innovative technology with a definable market and significant competitive advantage.</p>	Portland

Entity	T	Specialty	Description	City
 <p>The Business Outreach Program http://www.pdx.edu/business-outreach/</p>	B	General	The Business Outreach Program (BOP) at Portland State University provides technical assistance and business consulting services to locally owned, small businesses, with a focus on emerging, minority, and women-owned enterprises.	Portland
 <p>PSU Center For Entrepreneurship http://www.pdx.edu/entrepreneurship/</p>	A W B	Software/ Technology	PSU Center for Entrepreneurship keeps a finger on the pulse of entrepreneurial opportunities at the university and within the Portland community, serving as a central hub of information. In addition to resources, they also offer a number of workshops, networking opportunities and other events.	Portland
 <p>RAIN Eugene http://raineugene.org</p>	A	General	RAIN Eugene includes the RAIN Eugene Accelerator, a twice-yearly 16-week program offering intense training and mentoring to early growth-stage companies in and around Eugene, Oregon and the RAIN Eugene Innovation Network, a growing coalition of partners and affiliates willing to realize the vision of innovation-based economic growth through the application of real action and resources to support entrepreneurs in the region.	Eugene
 <p>Regus Work your way Regus http://www.regus.com</p>	A W	General	Regus products and services allow customers to concentrate on their core business, whether it's small, medium or large in size and either home based or international. They also provide space solutions for corporations.	Beaverton, Clackamas, Lake Oswego, Portland, Tualatin
 <p>River Front Research Park Researchpark.uoregon.edu</p>	I	Technology	UO operates the Riverfront Innovation Center to assist start-ups and spin-offs by providing research and lab space for emerging technology-based companies to develop their ideas and technologies.	Eugene
 <p>SCORE Counselors to America's Small Business SCORE https://centraloregon.score.org https://portlandor.score.org https://salem.score.org https://willamette.score.org</p>	B	General	SCORE is a resource partner with the U.S. Small Business Administration (SBA) and provides support to business owners by offering 24/7 online mentoring advice, in-person meetings, low-cost workshops, "how-to" articles, business templates, online workshops and online training. Area offices offer events and advising.	Bend Portland Salem Eugene Springfield
 <p>Shop People http://www.shoppeople.org/</p>	W M	Art	Shop People is a membership-based industrial arts shop and Maker space located in SE Portland. We provide shared tools and work space for craftspeople, artisans, makers, inventors, contractors, DIYers, and creative people.	Portland
 <p>SOAR Oregon http://www.soaroregon.com</p>	A	Aircraft	SOAR Oregon is a statewide business accelerator for the fast-growing Unmanned Aircraft Systems (UAS) cluster in Oregon. It is helping support three flight test sites at Warm Springs, Pendleton and Tillamook, which are now part of the FAA's new national system. SOAR Oregon's mission is to foster growth in this rapidly evolving industry through connecting diverse industry sectors such as aviation, advanced manufacturing, high tech, software development, education and more.	Bend

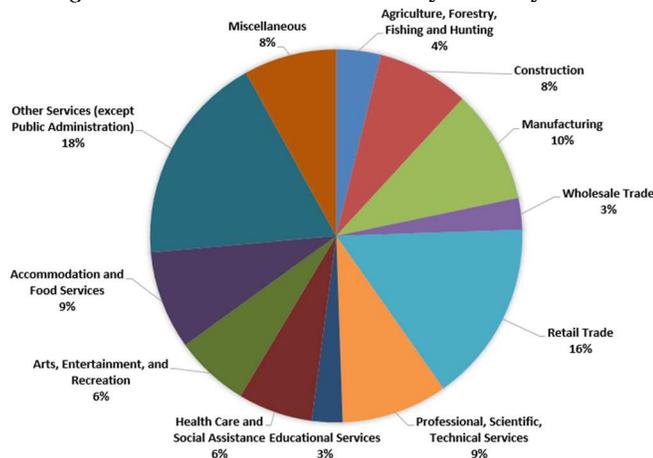
Entity	T	Specialty	Description	City
 Sprout sproutfoodhub.org	I B	Food / Restaurants & Cafes	Sprout! is a regional community food hub that operates a state-of-the-art commercial kitchen for people wanting to start a food production business or restaurant. They also operate a farmers market and have space for food micro enterprises to trial their restaurant concept.	Springfield
 Starve Ups www.starveups.com	A W	Software/ Technology/ Hardware/ Food/ Restaurants & Cafes/ Consumer products/ Apparel/ Sports/ Outdoor/ Energy/ R&D/	Starve Ups was Oregon's first startup accelerator, and is its only scalerator, taking its membership companies from inception to acquisition. From day one Starve Ups was built with its cornerstone as peer mentoring, which is exactly what Starve Ups stands for, excels at and focuses on as a group. Now, after 16 years in existence we are getting a new look and are further taking "proven peer mentoring for founders" to an even higher level.	Portland Eugene Bend
 Sustainable Valley Group (SVG) http://svtg.org	A	Software/ Technology/ Hardware/ Consumer products/ Apparel/ Sports/ Outdoor/ Art and Design	SVG's mission is to develop, inspire, and accelerate entrepreneurship in Southern Oregon. SVG works closely with business resources in their area to ensure that people starting businesses have access to the resources they need to be successful. SVG's accelerator is a 12 week program that focuses on business operations and strategy and includes one on one mentoring, financial advising, networking, and an alumni network of support.	Medford
 TenX http://tenx.org	A	General	TenX is a business accelerator that helps business owners and entrepreneurs learn & apply great business principles, through interactive peer mentorship and advising. TenX's Sprint and Marathon programs are structured to support founders and business leaders in tackling developmental milestones starting from \$0-\$100K, and accelerating to \$100K-\$1MM+. We also offer Office Hours, Fundraising Prep, Individual Advising, and Growth Advising for post-\$1MM+ companies. Alumni of TenX programs have generated more than \$30MM in revenues and funding. Our headquarters are in Portland, Oregon at our coworking partner, NedSpace, and we welcome participation in TenX from anywhere in the world, via Google Hangout / Skype.	Portland Nairobi, Kenya
 the Hive at Leftbank http://leftbankproject.com/hive	W	General	Hive membership includes a personal workspace and access to a bevy of amenities and resources including a desk crafted of salvaged tropical hardwood, a lockable filing cabinet, a coat locker, and access to the Hive's kitchenette, copy/print room and two conference rooms. The Hive is housed inside the Leftbank Project Building and provides access to the Leftbank's showers and locker rooms, expansive indoor and covered outdoor bike parking, common areas and gathering places. Membership costs \$365/mo. and gives you free rein any hour of the day, any day of the week.	Portland
 TiE oregon.tie.org	I	General	TiE is a non-profit, global community welcoming entrepreneurs from all over the world. We believe in the power of ideas to change the face of entrepreneurship and growing business through our five pillars; mentoring, networking, education, incubating and funding.	Hillsboro

Table 2: Oregon SBDC Network Activity by State Region 2012-2015 (Source: Oregon SBDC Network)

2012 Events & Courses: 1,162 Total Advising Hours: 25,179	Regional Solutions Regions	Businesses served	Jobs Created	Biz Starts	Sales Increased	Capital Access
	North Central & South Central	843	107	48	\$678,652	\$2,117,775
	Greater Eastern & Northeast	339	61	13	\$686,370	\$9,782,713
	South Coast & Southern	1181	84	22	\$977,746	\$2,193,488
	North Coast, Mid & South Valley	1816	153	20	\$3,791,886	\$3,056,335
	Metro	1176	108	34	\$1,200,671	\$666,985
	Total	5415	513	137	\$7,335,325	\$17,817,296
2013 Events & Courses: 1,145 Total Advising Hours: 24,272	Regional Solutions Regions	Businesses served	Jobs Created	Biz Starts	Sales Increased	Capital Access
	North Central & South Central	757	70	34	\$1,368,164	\$5,079,000
	Greater Eastern & Northeast	329	31	9	\$380,359	\$7,518,982
	South Coast & Southern	1144	181	37	\$5,059,716	\$6,691,850
	North Coast, Mid & South Valley	1845	300	45	\$9,821,899	\$7,535,265
	Metro	1233	191	49	\$3,061,019	\$4,995,981
	Total	5308	773	174	\$19,691,157	\$31,821,078
2014 Events & Courses: 1010 Total Advising Hours: 24,704	Regional Solutions Regions	Businesses served	Jobs Created	Biz Starts	Sales Increased	Capital Access
	North Central & South Central	703	152	27	\$2,993,390	\$6,631,480
	Greater Eastern & Northeast	425	81	27	\$2,399,146	\$4,868,534
	South Coast & Southern	1,096	121	36	\$1,574,033	\$3,813,885
	North Coast, Mid & South Valley	1,959	440	53	\$17,962,341	\$8,738,222
	Metro	1,250	247	44	\$5,905,482	\$4,137,395
	Total	5,433	1,041	187	\$30,834,392	\$28,189,516
2015 Events & Courses: 972 Total Advising Hours: 23,789	Regional Solutions Regions	Businesses served	Jobs Created	Biz Starts	Sales Increased	Capital Access
	North Central & South Central	642	99	27	\$5,327,813	\$4,480,995
	Greater Eastern & Northeast	503	58	7	\$5,077,871	\$3,478,445
	South Coast & Southern	1,034	191	52	\$7,195,278	\$8,270,539
	North Coast, Mid & South Valley	1,583	342	76	\$26,983,534	\$9,028,979
	Metro	1,249	202	39	\$12,695,888	\$19,052,740
	Total	5,011	892	201	\$57,280,384	*\$44,311,698

note – In 2015 an additional \$18M of Capital Access was reported but not identified with a particular region or out of state

Chart 5: Oregon SBDC – Businesses Served by Industry Sector 2012-2015



COMMERCIALIZATION GRANT INVESTMENTS AND PROGRAMS

SMALL BUSINESS INNOVATION RESEARCH (SBIR) & SMALL BUSINESS TECHNOLOGY TRANSFER (STTR)

SBIR and STTR grants provided by the funding entities (agencies) within the US Federal Government are perfect for entrepreneurs working on commercializing technologies.

SBIR

The SBIR program was established under the Small Business Innovation Development Act of 1982 with the purpose of strengthening the role of innovative small business concerns in Federally-funded research and development (R&D). Only United States small businesses are eligible to participate in the SBIR program. An SBIR awardee entities must be located in the U.S, be more than 50% owned by U.S citizens, and meet the benchmark requirements for progress toward commercialization⁷.

STTR

Modeled after the Small Business Innovation Research (SBIR) program, STTR was established as a pilot program by the Small Business Technology Transfer Act of 1992. Government agencies with R&D budgets of \$1 billion or more are required to set aside a portion of these funds to finance the STTR activity. The mission of the STTR program is to support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy.

The programs' goals are to:

- Stimulate technological innovation.
- Foster technology transfer through cooperative R&D between small businesses and research institutions.
- Increase private sector commercialization of innovations derived from Federal R&D.

Currently, five agencies participate in the STTR program: Department of Defense, Department of Energy, Department of Health and Human Services, National Aeronautics and Space Administration, and the National Science Foundation To apply for STTR, entities must be located in the U.S, be at least 51% owned by U.S citizens, and meet one of three definitions:

- Nonprofit college or university
- Domestic nonprofit research organization
- Federally funded R&D center (FFRDC)

Differences between SBIR and STTR

STTR differs from SBIR in three important aspects:

1. The SBC and its partnering institution are required to establish an intellectual property agreement detailing the allocation of intellectual property rights and rights to carry out follow-on research, development or commercialization activities.
2. STTR requires that the SBC perform at least 40% of the R&D and the single partnering research institution is required to perform at least 30% of the R&D.
3. Unlike the SBIR program, STTR does not require the Principal Investigator to be primarily employed by the SBC.

Oregon SBIR/STTR grants in 2014 and 2015

Oregon grants from SBIR and STTR agencies in 2014 and 2015 combined have totaled about \$73M. Compared to the total amount of combined loans in 2012 and 2013 of \$70M, **Oregon has had a growth**

⁷ <https://www.sbir.gov/performance-benchmarks>

rate of 4.3% in attracting SBIR/STTR grants. However, most of the growth must be credited to the amount of Health and Human Services grants awarded to Oregonians during 2014. Compared to other Western states, Oregon sits in the middle below Arizona and Washington, but it also attained the highest average grant.

Out of 136 grants awarded by the agencies, 11 were awarded to companies that were owned by women (about 8.1%). Among the Oregon regions, Metro region has received 62% and North Coast, Mid & South Valley have received 35% of the total grants awarded (As seen in the table and pie chart below).

Table 3: SBIR/STTR Grants by State⁸

2014-2015			
State	Total Dollars	# of Grants	Average Grant
California	\$902,373,971	2,225	\$405,561
Colorado	\$187,268,239	460	\$407,104
Washington	\$82,134,209	184	\$446,381
Arizona	\$75,724,388	192	\$394,397
Oregon	\$73,146,684	136	\$537,843
New Mexico	\$53,781,903	146	\$368,369
Utah	\$47,799,491	117	\$408,542
Montana	\$24,018,321	51	\$470,947
Nevada	\$9,605,887	33	\$291,087
Idaho	\$3,579,354	19	\$188,387
Wyoming	\$3,492,185	12	\$291,015
Total	\$1,462,924,637	3,575	\$409,209

Table 4: SBIR/STTR Grants Oregon 2014-2015⁹

Oregon 2014			
# of SBIR Grants	Total SBIR Funding	Average Grant	Median Grant
64	\$38,261,206	\$597,831	\$223,050
# of STTR Grants	Total STTR Funding	Average Grant	Median Grant
7	\$6,356,087	\$908,012	\$723,863
Oregon 2015			
# of SBIR Grants	Total SBIR Funding	Average Grant	Median Grant
49	\$2,2301,660	\$455,136	\$149,999
# of STTR Grants	Total STTR Funding	Average Grant	Median Grant
16	\$5,963,308	\$372,707	\$218,245

⁸ <https://www.sbir.gov>

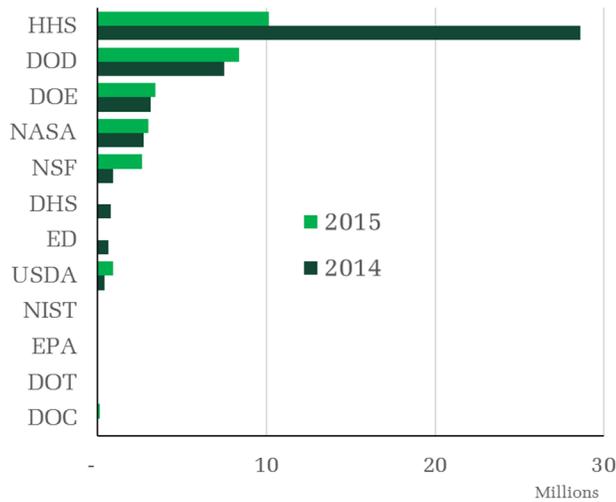
⁹ <https://www.sbir.gov>

In the table below, SBIR and STTR grants have been divided by the agencies:

Table 5: SBIR/STTR Grants Oregon by Agency 2014-2015¹⁰

Oregon 2014			
Agency	Total Grants Awarded	# of Grants Awarded	Average Grant
DHS - Department of Homeland Security	\$749,857	1	\$749,857
DOC - Department of Commerce	-	-	-
DOD - Department of Defense	\$7,480,755	14	\$534,340
DOE - Department of Energy	\$3,148,970	4	\$787,243
DOT - Department of Transportation	-	-	-
ED - Department of Education	\$649,719	2	\$324,860
EPA - Environmental protection Agency	-	-	-
HHS - Department of Health and Human Services	\$28,573,382	32	\$892,918
NASA - National Aeronautics and Space Administration	\$2,714,722	12	\$226,227
NIST - National Institute of Standards and Technology	-	-	-
NSF - National Science Foundation	\$900,000	2	\$450,000
SBA - The U.S Small Business Administration	-	-	-
USDA - US Department of Agriculture	\$399,888	4	\$99,972
Total	\$44,617,293	71	\$628,412
Oregon 2015			
Agency	Total Grants Awarded	# of Grants Awarded	Average Grant
DHS - Department of Homeland Security	-	-	-
DOC - Department of Commerce	\$99,910	1	\$99,910
DOD - Department of Defense	\$8,389,951	19	\$441,576
DOE - Department of Energy	\$3,403,729	5	\$680,746
DOT - Department of Transportation	-	-	-
ED - Department of Education	-	-	-
EPA - Environmental protection Agency	-	-	-
HHS - Department of Health and Human Services	\$10,147,941	16	\$634,246
NASA - National Aeronautics and Space Administration	\$2,979,540	14	\$212,824
NIST - National Institute of Standards and Technology	-	-	-
NSF - National Science Foundation	\$2,608,518	5	\$521,704
SBA - The U.S Small Business Administration	-	-	-
USDA - US Department of Agriculture	\$899,803	5	\$179,961
Total	\$28,529,392	65	\$438,913

Chart 6: Distribution of SBIR/STTR Oregon Funding by Agency, 2014-15



¹⁰ <https://www.sbir.gov>

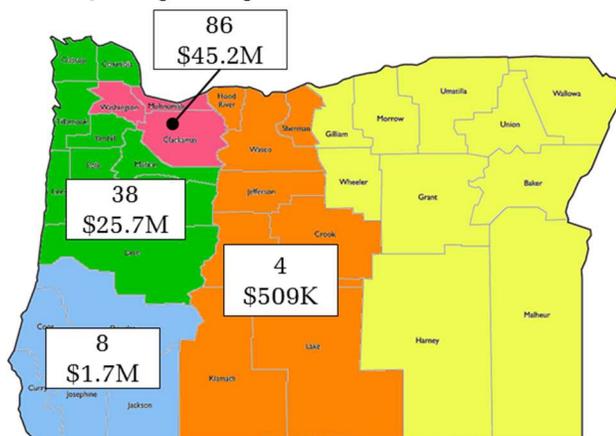
Table 6: SBIR/STTR Grant distribution by region, 2014-15¹¹:

Regional Solutions Team/City	Total Dollars	# of Grants	Average Grant	Median Grant
North, Central & South Central				
Bend	\$429,015	3	\$143,005	\$104,015
Hood River	\$79,820	1	\$79,820	\$79,820
Sub-Total	\$508,835	4		
Greater Eastern & Northeast				
		0		
South Coast & Southern				
Ashland	\$185,858	1	\$185,858	\$185,858
Myrtle Creek	\$1,471,816	7	\$210,259	\$124,496
Sub-Total	\$1,657,674	8		
North Coast, Mid & South Valley				
Corvallis	\$10,169,030	12	\$847,419	\$487,493
Depoe Bay	\$100,000	1	\$100,000	\$100,000
Eugene	\$14,989,328	23	\$651,710	\$570,927
Seal Rock	\$265,000	1	\$265,000	\$265,000
Springfield	\$224,222	1	\$224,222	\$224,222
Sub-Total	\$25,747,580	38		
Metro				
Beaverton	\$13,721,309	35	\$392,037	\$149,999
Eagle Creek	\$749,939	1	\$749,939	\$749,939
Gresham	\$599,888	2	\$299,944	\$299,944
Hillsboro	\$992,930	1	\$992,930	\$992,930
Lake Oswego	\$2,398,277	3	\$799,426	\$1,000,000
Portland	\$26,320,329	40	\$658,008	\$225,000
West Linn	\$200,000	2	\$100,000	\$100,000
Wilsonville	\$249,924	2	\$124,962	\$124,962
Sub-Total	\$45,232,596	86		
Total	\$73,146,684	136		

¹¹ <https://www.sbir.gov>

Among the Oregon regions, Metro region has received 62% and North Coast, Mid & South Valley has received 35% of the total grants awarded.

Figure E: Grants by Oregon Region 2014-15. (Dollars, % of Total Oregon)



OREGON NANOSCIENCE AND MICROTECHNOLOGIES INSTITUTE (ONAMI)

ONAMI is an Oregon Signature Research Center, founded in 2006, with two available funding programs: ONAMI Launch and ONAMI Gap.

ONAMI Launch Funding (Pre-Gap) is an early-stage program for ONAMI Members with an idea that has commercial value and who intend to form a company within the next year. The maximum ONAMI Launch funding is \$75,000. The funding is to help refine and/or validate the proof-of-concept and assist in optimal company formation.

ONAMI GAP is for research projects that yield breakthrough ideas, but cannot attract angel, venture or strategic investment without a proof of concept. ONAMI gap funding bridges that void with up to \$250,000* for Oregon university-startup company collaborations to help businesses develop and test a product prototype, demonstrate a cost-effective fabrication process or cross the gap between current status and key customer requirements.¹²

Success Story: Onboard Dynamics, Inc. (ObDI) is continuing the development and commercializing novel compression technology originated at the Oregon State University Cascades campus in Bend, with assistance from microchannel heat exchanger expertise from OSU's Advanced Technology and Manufacturing Institute in Corvallis. The company is meeting milestones ahead of schedule on its original \$3.6M ARPA-E award (supplemented by \$600K in cost-share from ONAMI, OSU, Oregon BEST and Portland Seed Fund) and has recently been notified of the opportunity for a follow-on \$2.4M award from ARPA-E for which \$600K in cost share must be raised by the end of June. This cost-share is expected to come primarily from a combination of private investment and industrial partner contributions.

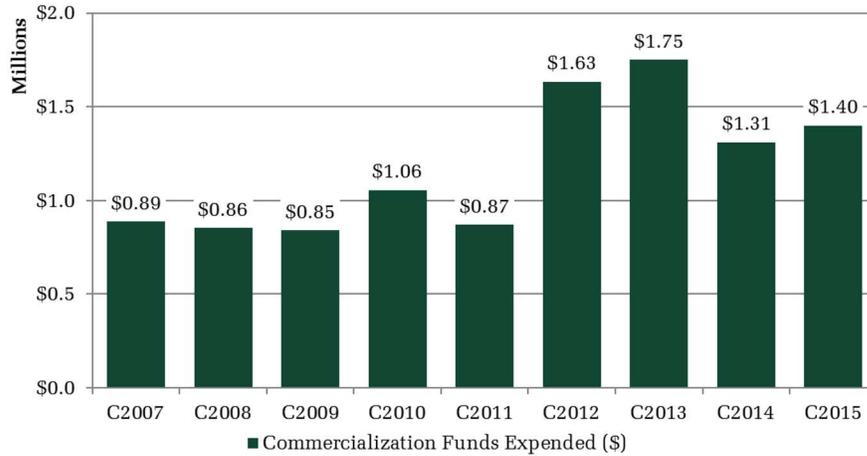
Table 7: ONAMI Gap Grants Detail through 2015¹³

2012 & 2013 ONAMI Gap Grants		
Lead Institution & Company	Total \$ Awarded Through 2014	Total \$ Awarded in Calendar 2015
OSU CH2M/Mtek Desal	\$229,779	
OSU Voxel Nano	\$247,900	
OSU Amorphyx	\$250,000	
OSU Element 1	\$159,060	
OSU VallisCor	\$250,000	
OSU OR-Cal	\$94,549	
OSU Onboard Dynamics	\$83,333	
OSU Cascade ProDrug	\$74,612	
PSU ESS	\$249,800	\$100,000
PSU Polaris	\$50,000	
UO NemaMetrix	\$249,625	
UO Suprasensor	\$250,000	
UO Dune	\$69,376	\$68,256
UO NANO3D		\$89,297
PSU Diatomix Launch		\$25,000
OHSU TomegaVax		\$250,000
OHSU AbSci		\$225,714
OHSU NeuraMedica		\$48,150
Market Research Studies		\$95,855
Internships at Portfolio Companies	\$81,750	\$98,865
i6 Gap Grant Projects: Dune Sciences, QE Chemical, Cascade ProDrug, Amorphyx, Applied Exergy, NWMI	\$157,168	
Total	\$2,496,952	\$1,001,137

¹² ARPA-E, or Advanced Research Projects Agency-Energy

¹³ Source: ONAMI

**Chart 7: ONAMI Commercialization Funds Expended
(\$ by Calendar Year)**



OREGON BUILT ENVIRONMENT AND SUSTAINABLE TECHNOLOGIES CENTER (OREGON BEST)

Oregon BEST, also an Oregon Signature Research Center, provides funding and assistance to Oregon startup companies and state university researchers in the clean technology sector. One of its entrepreneurial assistance programs is focused on helping Oregon companies obtain non-dilutive capital through the federal SBIR/STTR program. Oregon BEST has been funded by the Small Business Administration under the Federal and State Technology Partnership (FAST) Program to provide targeted SBIR/STTR grant writing seminars and other training to help strengthen proposals from Oregon companies. Oregon BEST also provides direct funding to companies primarily in the form of program related investments that fund product development and product validation through joint projects between startup companies and state university researchers. The funding program, started in 2011, has provided \$4.2M of R&D funding through 2015. Grants and Program-Related-Investments in the amount of \$1.9M were made to 23 companies in the 2014-2015 period as detailed in the table below.

Chart 8: Oregon BEST Commercialization Funding 2011-2015

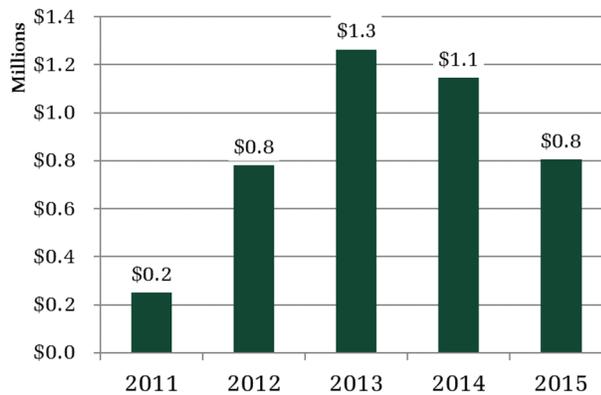
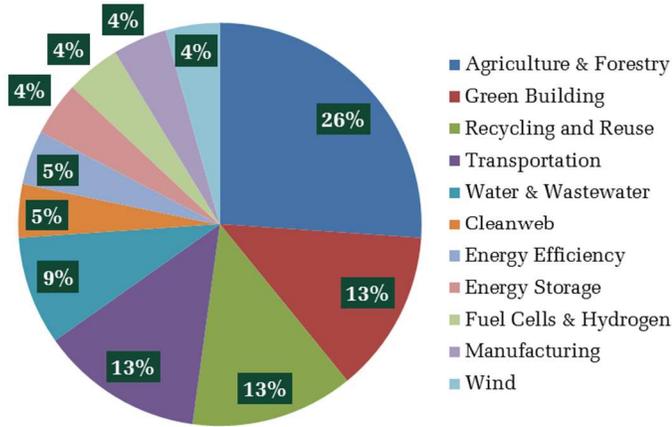


Table 8: Oregon BEST Commercialization Funding 2014-2015

Oregon BEST Commercialization Funding				
Company	Total Dollars	Lead Institution	Date First Awarded	Area of Interest
Arcimoto	\$146,115	OIT	January 6, 2014	Transportation
EcoPro Polymers	\$12,130	OSU	January 8, 2014	Green Building
Walking Point Farms	\$91,379	OSU	February 19, 2014	Agriculture & Forestry
Honeycomb	\$74,508	OSU	March 3, 2014	Agriculture & Forestry
Sunmark Environmental	\$85,718	OSU	April 7, 2014	Water & Wastewater
Kerstech	\$74,175	OIT	April 30, 2014	Transportation
EcoPro Polymers	\$12,426	OSU	June 26, 2014	Green Building
Rogue Rovers	\$25,000	OIT	July 15, 2014	Agriculture & Forestry
eChemion	\$75,000	OSU	July 31, 2014	Energy Storage
Puralytics	\$102,891	OSU	August 28, 2014	Water & Wastewater
Onboard Dynamics	\$150,000	OSU	September 24, 2014	Transportation
DR Johnson	\$150,000	OSU	December 12, 2014	Green Building
TryEco	\$146,500	OSU	December 18, 2014	Agriculture & Forestry
Calbag Metals	\$11,894	PSU	March 13, 2015	Recycling and Reuse
Manage my Co-op	\$75,000	UO	May 1, 2015	Agriculture & Forestry
EcoPro Polymers	\$123,758	OSU	May 5, 2015	Green Building
Ampere Scientific	\$149,975	OSU	June 1, 2015	Manufacturing
SpekPly	\$24,999	OSU	June 29, 2015	Green Building
Vorsana	\$150,000	PSU	June 29, 2015	Recycling and Reuse
Hydrostar	\$24,545	OSU	June 29, 2015	Fuel Cells & Hydrogen
Permetia Envirotech	\$24,998	OSU	June 29, 2015	Recycling and Reuse
NaCa Fermentation	\$75,000	OSU	July 16, 2015	Agriculture & Forestry
Honeycomb	\$20,764	OSU	September 1, 2015	Agriculture & Forestry
RUTE Foundations	\$66,000	PSU	September 8, 2015	Wind
SweetSense Inc	\$25,000	N/A	September 10, 2015	Cleanweb
IT AIRE	\$33,000	N/A	September 15, 2015	Energy Efficiency
Total	\$1,950,774			

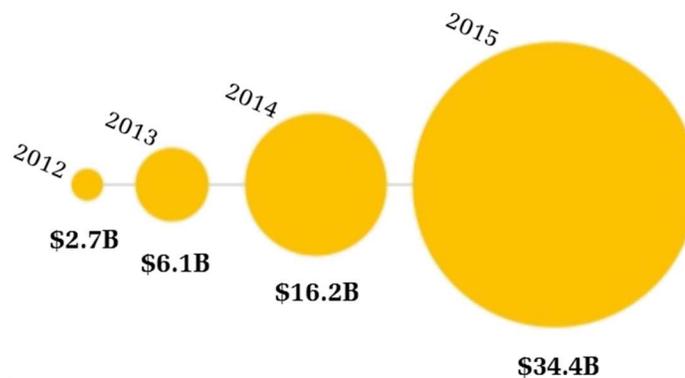
Chart 9: Oregon BEST Funding By Technology Type 2014-2015



CROWDFUNDING

Crowdfunding remains a strong and growing option for those looking to raise early-stage capital. In many ways, it is becoming one of the dominant sources of capital for early stage company formation funding. A June 2015 Forbes magazine article highlighted the findings of a 2015 Massolution industry report which predicted that total global crowdfunding would exceed traditional venture capital funding in the year 2016.¹⁴ A significant portion of this market is composed of peer-to-peer lending marketplaces (73%). Crowdfunding comes in many forms including equity, debt, gifts/rewards, and prepaid sales. Specific industry totals are not easily sourced for each type as they are emerging and many providers are not willing to share their deal-by-deal data. CrowdExpert.com estimates that the US Equity crowdfunding market place is \$1.2 billion in 2015 – a large figure but not as large as the US venture capital equity markets as of yet.

Figure F: Global Crowdfunding Growth 2012-2015



In addition to start-up capital, crowdfunding platforms (CFP's) allow for business owners to test their proposal in a tangible marketplace. Since the publishing of the last Capital Scan, one of the most significant evolutions in the realm of Crowdfunding involves the changing legislative landscape. Added to the Oregon Administrative Rules in January of 2015, the Oregon Intrastate Offering (OIO) rules provides an exemption from the registration requirements of Federal securities law. Now, business owners can make offerings in the form of stocks, notes, and debentures up to a maximum of \$250,000. The exemption also allows for non-accredited investors to join the investment pool with a maximum individual investment of \$2,500. Aeron Teverbaugh, a senior policy analyst with the Department of Consumer and Business Services and contributor to the OIO Exemption, affirms that before making an offering, “the issuer must meet with a business technical service provider (BTSP) to review their business plan.”¹⁵ Both Small Business Development Centers as well as Economic Development Districts have been approved to serve as BTSP's. According to Teverbaugh, the intention of this requirement is both “to protect investors and cut down on fraud.” With previous investment offerings limited to accredited investors, these new rules will expand the opportunities for small enterprises to access capital and make it easier for Oregonians to invest back into their communities. For those interested in further details of the OIO, Hatch Oregon offers helpful definitions as well as the full OIO document at their website.¹⁶ Hatch also cites their total funds raised for Oregon companies from January 2015 through December 2016 at nearly \$450,000. Their website is also an easy place to find many of the current investment offerings using this new

¹⁴ <http://www.forbes.com/sites/chancebarnett/2015/06/09/trends-show-crowdfunding-to-surpass-vc-in-2016/#23da3138444b>

¹⁵ interviews

¹⁶ <http://hatchoregon.com/oio>

investing marketplace. Examples include Agrarian Ales, which raised \$95,000, and Crescendo Organic Spirits which raised \$82,250 using this approach.



In order to capture a sense of the growth in the crowdfunding market, a comparison of Kickstarter transactions in 2014-2015 was gathered. These results were compared to the 2012-2013 findings. Results show that this particular crowdfunding platform saw an increase in total dollars raised for successful projects while there was a decline in number of successful projects. This may be attributed to an increase in competitive offerings in the marketplace. Recent data shows that the other leading crowdfunding platform in the US, Indiegogo™, initiated slightly more projects than Kickstarter in 2015, but had a lower success rate. Since 2010, Kickstarter has driven over \$1.1B in successful financings.¹⁷ Results show that the funding domains of publishing, food, video, and art lead in the number of funded projects. Several product companies were funded and some examples follow.

Table 9: Kickstarter Oregon Summary¹⁸

2012		2013	
# of Projects Funded	Total Funding	# of Projects Funded	Total Funding
536	\$8,238,389	533	\$7,024,208
2014		2015	
# of Projects Funded	Total Funding	# of Projects Funded	Total Funding
479	\$22,109,568	427	\$8,931,104
Change 2014-15 vs. 2012-13			
# of Projects Funded Down 15%		Total Funding Up 103%	

Figure G: Examples of Kickstarter Oregon Funded Projects 2015:

 <p>Mstick : One Source Multi Use Smart LED Light</p> <p>Mstick is multi-functional smart LED stick light operated with modular app.</p> <p>\$110,483 12/13/2015 Beaverton</p> <p> by MOLT AMERICA INC. and 1,301 backers</p>	 <p>The Minaal Daily and Carry-on 2.0 - your travel speed boost.</p> <p>Backpacks designed for your life on the move. Sleek, durable & ready for any challenge - it's the new Minaal Bag Ecosystem.</p> <p>\$707,631 12/7/2015 Portland</p> <p> by Minaal and 2,402 backers</p>	 <p>Cowbucker Presents: The Bucker</p> <p>Cowbucker is proud to introduce The Bucker: The World's First Cowboy-Trucker Hat! Probably mankind's greatest invention.</p> <p>\$37,698 6/20/2015 Eugene</p> <p>by Cowbucker and 249 backers</p>	 <p>Ringo – The palm size robot with real personality!</p> <p>Ringo is a cute Arduino based digital pet robot with an accelerometer, gyroscope, 6x RGB LED lights, sound, and communication sensors.</p> <p>\$85,478 3/20/2015 Portland</p> <p> by Plum Geek and 738 backers</p>
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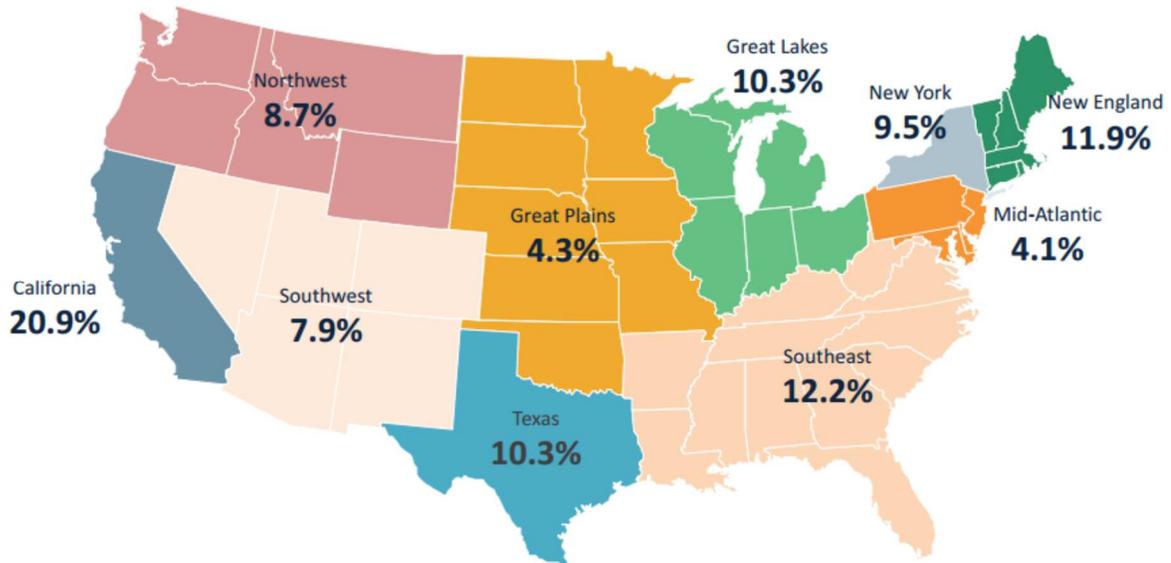
¹⁷ <https://www.krowdster.co/blog/kickstarter-still-indiegogo.html>

¹⁸ Data provided by Kickstarter.com

SEED FUNDING AND ANGEL INVESTMENT

Nationally, the Seed and Angel investment ecosystem is demonstrating growth with a median investment round of \$850K dollars in 2015, which is up from significantly from the \$500K dollars measured in both 2012 and 2013 by the Angel Resource Institute (which is domiciled within Oregon’s own Willamette University). When Angel groups invest alongside non-Angel groups (typically institutional investors), the median investment size grew to \$1.60M in 2015, which is also up significantly versus \$1.2M in 2012.¹⁹ The Pacific Northwest share of overall Angel investment in 2015 was up to 8.7% versus 4.3% in 2014. **This rapid growth statistic is supported by the findings from within Oregon where total funding in 2014-15 more than tripled versus the 2012-2013 findings. Oregon’s Angel and Seed investment rate appears to be on a healthy growth trend.**

Figure I: Angel Investment by US Region 2015 (Source: Halo Report™ 2015)



The Oregon Seed and Angel investment landscape has continued to expand since the last publishing of the Oregon Capital Scan report with an expansion in both the sources of investment and the scale of investment available. In addition to the longstanding Oregon Angel Fund and the former Portland Angel Network, new entrants and forums have arisen for the aspiring entrepreneur including additional fixed-date event Angel group conferences as well as independent year-round angel investing organizations. Mentioned in the 2012 Oregon Capital Scan report were the Portland Seed Fund and Portland Incubator Experiment (PIE). Joining the list in 2014 were the Bend Venture Conference, Willamette Angel Conference, Roseburg Angel Investor Network (RAIN), Southern Oregon Angel Investment Network, Cascade Angels, and TiE Angels. These programs continue to expand their impact and investment dollars in Oregon-based companies.

Table XX summarizes the Angel, seed, and convertible debt transactions in Oregon during 2012-2013 and compares to 2014-2015. Even with the impressive growth rates shown here, it is important to note that not all Angel and seed transactions are captured and reported to industry data consolidators. Many “Friends & Family” investments are not recorded by industry data gatherers and would also be omitted from this report.

¹⁹ Halo Report™ 2015

Table 11: Angel, Seed & Convertible Note Transactions Oregon Summary vs. Prior Report Period²⁰

2012-2013			
# of Deals Funded	Total Funding	Average Deal	Median Deal
94	\$49,500,000	\$610,000	\$370,000
2014-2015			
# of Deals Funded	Total Funding	Average Deal	Median Deal
154	\$220,210,000	\$1,560,000	\$500,000
Change 2014-15 vs. 2012-13			
# of Deals Funded	Total Funding	Average Deal	Median Deal
Up 64%	Up 340%	Up 156%	Up 35%

Source: CB Insights™ and Pitchbook™

Angel investing groups and funds serve several important purposes. First, these groups give a center of gravity to the investment landscape in a community. They typically host social events for members, hold regular meetings for deal review and portfolio updates, and offers a place for interested individuals to get involved. Groups and funds also often host educational programming for new investors to build local competencies and resources.

Table 12: 2012 & 2013 Angel, Seed & Convertible Debt Transactions, By Regional Solution Area

Regional Solutions Team/ City	Total Dollars	# of Deals	Average Deal	Median Deal
North, Central & South Central				
Bend	\$1.2M	5	\$244K	\$220K
Greater Eastern & Northeast				
		0		
South Coast & Southern				
Ashland	\$320K	2	*	*
North Coast, Mid & South Valley				
Corvallis	\$1.3M	1	\$1.3M	\$1.3M
Eugene	\$2.1M	3	\$700K	\$600K
Sub-Total	\$3.4M	4	\$850K	*
Metro				
Beaverton	\$2.7M	4	\$670K	*
Gresham	\$260K	1	\$260K	\$260K
Lake O	\$3.3M	4	\$830K	*
Portland	\$39.8M	71	\$630K	\$470K
West Linn	\$250K	1	\$250K	*
Wilsonville	\$400K	2	\$400K	*
Sub-Total	\$47.2M	83	\$630K	\$470K
Total	\$49.5M	94	\$610K	\$370K

* Missing or incomplete data point. Source: CB Insights

Table 13: 2014 & 2015 Angel, Seed & Convertible Debt Transactions, By Regional Solution Area

Regional Solutions Team/ City	Total Dollars	# of Deals	Average Deal	Median Deal
North, Central & South Central				
Bend	\$12.17M	14	\$869K	\$525K
Hood River	\$0.22M	1	\$220K	
Redmond	\$0.08M	1	\$80K	
Sisters	\$0.10M	1	\$100K	
Sub-Total	\$12.57M	17	\$739K	\$450K
Greater Eastern & Northeast				
		0		
South Coast & Southern				
Ashland	\$0.50M	1		
Medford	*	1		
North Coast, Mid & South Valley				
Albany	\$0.99M	4	*	*
Corvallis	\$0.09M	1	\$900K	
Eugene	\$8.18M	12	\$682K	\$450K
Salem	*	1		
Sub-Total	\$9.26M	18	\$579K	\$315K
Metro				
Beavercreek	\$3.55M	2	\$1.77M	
Beaverton	\$0.54M	2	\$270K	
Gresham	\$2.15M	1	\$2.15M	
Hillsboro	\$0.85M	2	*	
Lake O	\$8.26M	9	\$918K	\$400K
Milwaukie	\$9.00M	1		
Portland	\$170.93M	91	\$1.88M	\$650K
West Linn	\$0.20M	3	\$67K	\$60K
Wilsonville	\$2.40M	6	\$480K	\$300K
Sub-Total	\$197.88M	117	\$1.849M	\$570K
Total	\$220.21M	154	\$1.56M	\$500K

* Missing or incomplete data point. Source: Pitchbook™

²⁰ CB Insights

Figure J: Angel, Seed & Convertible Debt Transactions, 2012 & 2013 By Region

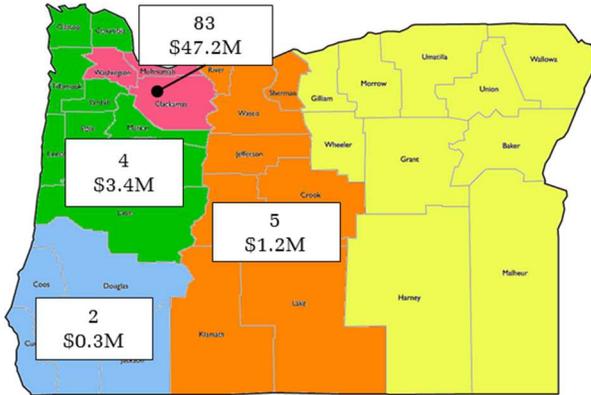


Figure K: Angel, Seed & Convertible Debt Transactions, 2014 & 2015 By Region

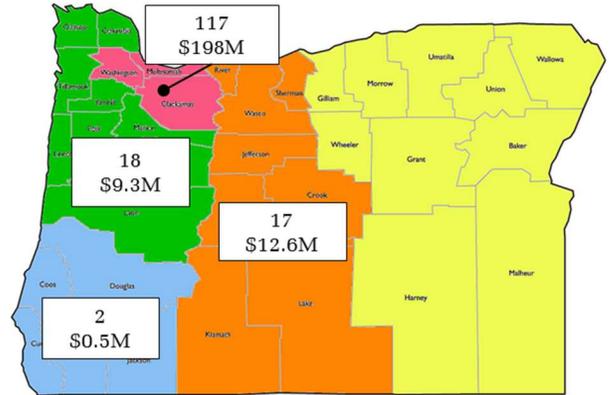
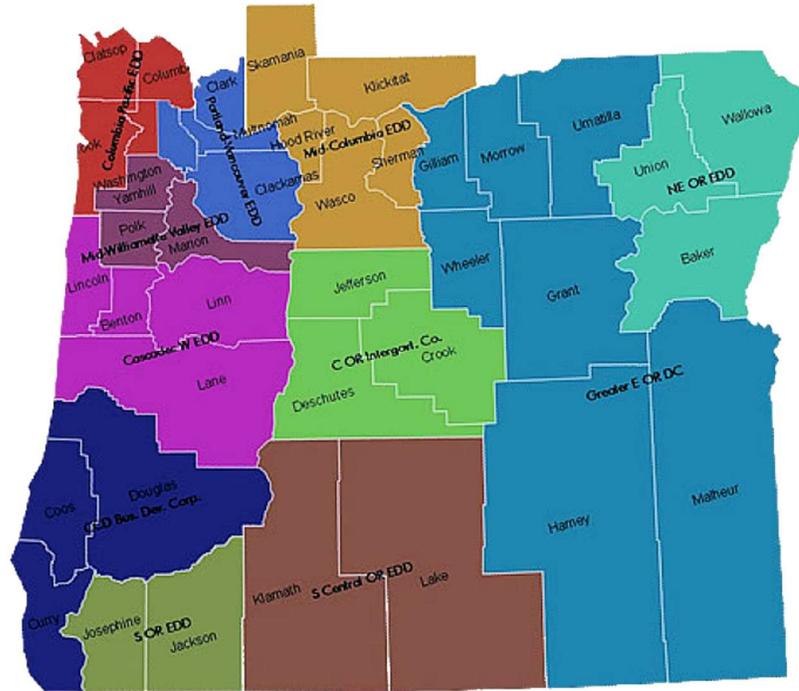


Table 14: Sample of Regional Angle Conference/Fund Investments 2014 & 2015 (source: interviews)

Organization	2014					2015				
	# Deals	\$ Invested	Industry	Region	Amount	# Deals	\$ Invested	Industry	Region	Amount
Oregon Angel Fund	8	\$6,500,000	Software	Metro	\$350,000	6	\$6,550,000	Software	Metro	\$850,000
			Hardware	Metro	\$1,000,000			Software	Metro	\$1,200,000
			Software	Metro	\$1,100,000			Software	Metro	\$500,000
			Software	Metro	\$1,000,000			Software/Hardware	Metro	\$1,500,000
			Consumer	Metro	\$500,000			Software	Metro	\$1,000,000
			Software	Metro	\$450,000			Software	Metro	\$1,500,000
			Software	Metro	\$1,000,000					
			Software	Metro	\$1,100,000					
Roseburg Angel Investor Network	2	\$235,000	Biotech	North, Central and S. Central	\$160,000	1	\$215,000	Agriculture	Metro	\$215,000
		Food	Metro	\$75,000						
Cascade Angels	4	\$386,920	Software	Metro	\$42,000	3	\$575,000	software	Central Oregon	\$200,000
			Software	Central Oregon	\$223,020			software	Metro	\$225,000
			BVC Fund	Central Oregon	\$121,900			bio-tech	North Coast/Valley	\$150,000
Southern Oregon Angel Investment Network	4	\$465,000	Farming Fish/Ag	Rogue River	\$20,000	1	\$175,000	Software	Portland	\$175,000
			Software	Ashland	\$150,000					
			Apparel	Portland	\$80,000					
			Software	Portland	\$215,000					
Gorge Angel Conference										
Angel Oregon	2	\$316,000	Software	Metro	\$60,000	1	\$247,625	Software	Metro	\$247,625
			Software	Metro	\$256,000					
Willamette Angel Conference										
Bend Venture Conference	7	\$1,063,300	Software	Metro	\$588,800	7	\$925,000	Software	Metro	\$275,000
			Software	Central Oregon	\$448,000			Software	Central Oregon	\$135,000
			Outdoor	Central Oregon	\$15,000			Software	Washington	\$275,000
			Agriculture	Central Oregon	\$11,500			Software	Mid & South Valley	\$215,000
								Outdoor	Central Oregon	\$25,000
Portland Seed Fund	18 deals \$885,000 Total					28 deals, \$1,496,633 Total				

ECONOMIC DEVELOPMENT DISTRICT LOAN PROGRAMS

Figure L: Oregon Economic Development Districts



Source: Oregon Economic Development Districts, Revolving Loan Fund 2015 Overview

Oregon’s Economic Development Districts:

- ATNI—Affiliated Tribes of Northwest Indians
- CCD—Coos, Curry, Douglas Business Development
- COIC—Central Oregon Intergovernmental Council
- Col-Pac—Columbia-Pacific Economic Development District
- GEODC—Greater Eastern Oregon Development Corporation
- MCEDD—Mid-Columbia Economic Development District
- MWVCOG—Mid-Willamette Valley Council of Governments
- NOEDD—Northeast Oregon Economic Development District
- CWEDD—Cascades West Economic Development District
 - OCWCOG—Oregon Cascades West Council of Governments
 - LCOG—Lane Council of Governments
- GPI—Greater Portland, Inc
- SCOEDD—South Central Oregon Economic Development District
- SOREDI—Southern Oregon Regional Economic Development, Inc

Economic Development Districts (EDDs) are regional gap financing entities recognized by the U.S. Department of Commerce’s Economic Development Administration (EDA). EDDs originate, package, and administer loans through various loan programs such as the Economic Development Administration Revolving Loan Fund, the SBA and the USDA. Many of Oregon’s EDDs also offer

other business resources to microenterprises and small businesses. The table below shows the additional resources offered by the various EDDs in Oregon.

This section of the Oregon Capital Scan focuses on the EDDs as a statewide whole, the common themes that emerged from our research and interviews, and the 2014-15 Revolving Loan Fund numbers from each EDD. Oregon's EDDs operate their own association, Oregon's Economic Development Districts (OEDD), whose goal is to facilitate communication and coordination between the EDDs. Detailed information about each of the EDDs and their individual activities can be found in OEDD's *Oregon EDD's 2015 Revolving Loan Fund Overview* report.²¹

There are eleven regional EDDs and one statewide tribal EDD. Oregon has “wall-to-wall” EDDs, meaning that every part of the state is part of, and represented by, an EDD.²² Not all states are fully covered by an EDD network like this. EDDs can differ in their organizational structure, their mission and scope, and their level of assets. Some EDDs are structured as nonprofits while others are structured as a council of governments (COG). Some offer many kinds of funding and resources, while other may offer just one, or a few. The EDD Greater Portland, Inc. is an example of an EDD that does not provide EDA revolving loan funds. Cascades West EDD covers the four counties of Benton, Lincoln, Linn, and Lane, but its Revolving Loan Fund is administered by Oregon Cascades West Council of Governments (OCWCOG) in Benton, Lincoln, and Linn Counties and by Lane Council of Governments in Lane County. No matter their structure or offerings, every EDD is required to provide an annual report and a five-year Comprehensive Economic Development Strategy in order to retain their EDD designation with the EDA.

The EDA finances the EDDs through matching grants and matching revolving loan fund capitalization. The matching grants are called “Partnership Planning Grants” and are generally \$50-75,000. The matching loan fund capitalization is generally \$250,000 or more and is offered to both the EDDs and other applicable economic development entities.²³ EDA funding is agnostic on state and county boundaries—there are no geographic requirements tied to their capital. A key element to the EDAs funding is the requirement for matching funds provided by the EDDs. While there is no formal partnership between the EDA and the SBA or USDA, there are national federal mandates, as well as a regional inclination, towards promoting cooperation on projects and funding between the agencies. Federal grant money can't be used by the EDDs as a match for other federal grant money, but federal loan guarantees can be used. For example, an EDD could not use USDA money as the matching funds for EDA loan fund capitalization, but they could use USDA loan guarantees to guarantee loan funding from another federal agency.

The majority of Oregon EDDs offer a variety of business resources in addition to revolving loan funds. The chart below shows the resources offered by each EDD. The Agora platform being spearheaded by MCEDD is an exciting example of impactful work being taken on by the EDDs in addition to the loans they offer. Agora is an online platform meant to connect capital providers across public, private, and nonprofit sectors with projects that need funding and is the first statewide program of its kind in the country. The goals of the platform are to act as a marketplace for funding and to show what regional priorities are for funding. The idea came out of work MCEDD did with Meyer Memorial Trust in 2012 and was first piloted in MCEDD's region. In 2015 it was expanded to additional EDD regions

²¹ http://www.oedd.org/documents/OEDD_RLF_2015_v3.pdf

²² Interview with David Porter, Economic Development Representative with the U.S. Economic Development Administration.

²³ Most EDA revolving loan funds are part of an EDD, but they don't have to be. Other organizations that have an economic development mission and can provide the needed matching funds can be applicable for EDA matching revolving loan fund capitalization. Oregon has several non-EDD organizations that receive these funds. Examples are the Portland Development Commission and the State of Oregon.

and Agora now has 500 users, 80 capital pools, and close to 200 projects on the system. Currently, Agora is focused on primarily nonprofit and local government projects. It does not facilitate loans to small businesses. Money is not exchanged over the Agora platform, so it is not yet a good way to track which projects actually get funded, but federal partners are being resourced to develop this capacity. Partnerships have been critical in the success of Agora. State agencies are investing in training their staff on how to roll the platform out statewide and the USDA funded the platform's expansion to additional regions and is working with MCEDD to expand Agora into Promise and CEP zones in other states.

Four major challenges came up repeatedly through EDD interviews and survey results: access to capital to fund the EDD's operations and loan funds, not enough connection between existing business capital resources, low entrepreneur awareness of the available resources, and the differences between rural and urban capital ecosystems.

ACCESS TO CAPITAL

Three specific types of capital were discussed by EDDs as important and lacking in their work: Matching funding, capacity funding, and Individual Development Account funding. All EDD Revolving Loan Funds require matching funds in order to receive EDA RLF capitalization and, as mentioned above, the matching funds cannot be from federal sources. EDDs explained that in-state funding to match their federal funds can be difficult to find. In other states, foundations have been established with the express purpose for providing matching funds for federal development dollars, but Oregon has not established anything like this. Capacity funding is also a major challenge for EDDs. CCD explained that they need capacity funding in order to provide assistance like, "grant writing, funding application completion and consultation, pre-project meetings, collaboration meetings, travel (tri-county region) and work beyond contracts such as CDBG projects that now require a lengthy Environmental Review (ER)." While EDDs provide capital to entrepreneurs to start or grow their business, the EDDs also have to continue running and growing their own business. While some federal funding is available for capacity funding, Oregon does not provide known support of this kind to organizations like the EDDs. Individual Development Account²⁴ (IDA) funding was also discussed as a critical tool for directly funding low-income entrepreneurs who don't have any security to back even a microenterprise loan. IDA funding is provided by the state to intermediaries like the EDDs, CDFIs or other community development organizations to distribute to low-income qualifying entrepreneurs. Lisa Dawson, Executive Director of NOEDD said, "I know if we had more capital available for the IDA, we could serve more low-income entrepreneurs, people who don't qualify for any other kind of capital."

Connections between Existing Resources

Another challenge highlighted through our research was the connection between existing resources. Amanda Hoey, MCEDD Executive Director, shared that there are "a lot of tools, but [they're] not all connected. And there's the desire to start new ones all the time instead of connecting existing [tools]." David Porter, Economic Development Representative for Oregon with the Economic Development Administration, also shared that "collaboration and communication are key; [we need] collective intelligence and collective pocketbooks. It's certainly important and worth doing. Let's have the right hand and the left hand knowing what each other is doing, so we don't have projects that are duplicative in nature." Survey responses also addressed the issue of connecting existing resources. Col-Pac shared, "In our region, we have local commercial, federal, state and county lenders all interested in making loans to our small businesses. That's good news for the businesses, but it's a competitive environment for secondary lenders such as Col-Pac." Some respondents also shared that better connections between resources would help them help entrepreneurs access

²⁴ <https://oregonidainitiative.org/>

programming available elsewhere in the state and help them help businesses better access diverse start-up capital.

Entrepreneur Awareness

In order to access available resources, entrepreneurs need to know that resources exist. One EDD respondent shared that it would be helpful to know, statewide, which people are knowledgeable about which resources. Lisa Dawson, Executive Director of NOEDD shared in her interview, “I’m pretty sure there are people who are knowledgeable about various things, but I don’t know who they all are. I know who quite a few of them are, but I don’t know them all.” Amanda Hoey with MCEEDD echoed this sentiment, but from the entrepreneur’s perspective: “There are a whole lot of finance tools out there in the state, but the clear pathway for a business to access those is missing.” Amanda relies on her relationships with the Small Business Development Centers to find and connect with entrepreneurs. Respondents felt that if entrepreneurs had a better understanding of the resources they needed and the resources available, the EDDs could help them make more global decisions. One aspect of this problem is that resource entities like EDDs and SBDCs have been under-resourced in their education capacities. One respondent shared that it sometimes felt frustrating that funders or the state would say create new resources or new programs instead of investing in the ones they have that work and are already being supported financially.

DIFFERENCES BETWEEN RURAL AND URBAN

Differences between rural and urban locations were also seen as challenges to doing statewide economic development. Local markets are small in rural areas. To serve an urban market from rural areas, there are transportation, distribution and other costs to figure out. Many business resources are focused on types of businesses or opportunities that don’t exist in rural areas. Policy decisions are made to make sense for the state as a whole, but can leave out rural areas. Business development around natural resource use and nonuse can look very different from urban and rural perspectives. It is hard to support venture capital in rural areas. Debt is a more common tool in rural areas than equity financing. One respondent shared, “If it’s important to the state to have equity going on in rural areas, they have to provide more resources and understand that the metrics will not look the same.”

Table 15: Economic Development District Lending 2014-2015

Economic Development District	2014 New Loans Made	2014 Loans Receivable	2014 Available to Lend	2015 New Loans Made	2015 Loans Receivable	2015 Available to Lend	Min/Max Loan Amount
Affiliated Tribes of Northwest Indians ATNI	\$40,000	\$27,490	\$49,211	\$79,000	\$35,653	\$18,565	
CCD Business Development Corporation	\$0	\$1,300,000	\$36,000	\$56,000	\$1,300,000	\$82,000	\$25,000/\$250,000
Central Oregon Intergovernmental Council	\$1,030,796			\$622,000			\$25,000/\$250,000
Columbia-Pacific Economic Development District	\$128,000	\$956,000	\$990,000	\$198,000	\$950,000	\$996,000	\$5,000/\$250,000
GEODC	Information not provided.						
Mid-Columbia Economic Development District	\$950,000	\$2,930,000	\$1,450,000	\$1,500,000	\$3,450,000	\$960,000	\$1,000/\$500,000
Mid-Willamette Valley Council of Governments RLF	\$770,500	\$1,543,375	\$939,084	\$188,750	\$1,616,980	\$911,386	\$20,000/\$250,000
Northeast Oregon Economic Development District	\$20,000	\$743,365	\$175,630	\$0	\$637,185	\$305,810	\$5,000/\$250,000
Oregon Cascades West Council of Governments	Information not provided.						
Greater Portland Economic Development District, Inc.	Does not operate EDA Revolving Loan Fund.						
South Central Oregon Economic Development District	\$0	\$267,328	\$251,052	\$257,750	\$474,392	\$42,233	\$5,000/\$200,000
Southern Oregon Regional Economic Development, Inc. RLF	\$1,141,500	\$3,904,362	\$3,464,602	\$590,301	\$3,770,062	\$3,246,452	\$10,000/\$575,000

Source: Staff Interviews

Table 16: Economic Development District Resources Offered 2014-2015

Economic Development District	EDA Revolving Loan Fund	SBA Loans	Technical Assistance	Other
Affiliated Tribes of Northwest Indians	X		X	CDF USDA IRP
CCD Business Development Corporation	X	X	X	
Central Oregon Intergovernmental Council	X	X		
Columbia-Pacific Economic Development District	X			Find financing for business development initiatives
Greater Eastern Oregon Development Corporation	Information not provided.			
Mid-Columbia Economic Development District	X		X	
Mid-Willamette Valley Council of Governments	X	X		Manage city and county RLFs
Northeast Oregon Economic Development District	X		X	Community public offerings Individual Development Accounts
Oregon Cascades West Council of Governments (Part of CWEDD)	Information not provided.			
Lane Council of Governments (Part of CWEDD)	Information not provided.			
Greater Portland, Inc.	Does not operate EDA revolving loan fund. Other information not provided.			
South Central Oregon Economic Development District	X		X	Rural microloan assistance
Southern Oregon Regional Economic Development, Inc.	X			
Technical Assistance Details				
ATNI	Small business and entrepreneur assistance			
CCD	Grant writing Funding application support Pre-project consultation Community Development Block Grants Support through project completion			
MCEDD	Access to incentive programs			
NOEDD	Business planning classes Preparing to raise money General guidance and referrals			
SCOEDD	Business startup classes, Loan packaging assistance			

Source: Staff Survey

Table 17: Economic Development District Contact Information 2016

Affiliated Tribes of the Northwest Indians EDC		Mid-Willamette Valley Council of Governments	
Counties	Statewide	Counties	Marion, Polk, Yamhill
Office Locations	Portland	Office Locations	Salem
Website	atntribes.org	Website	www.mwvog.org
Contact	Amber Shulz-Oliver, ATNI Economic Development	Contact	Renata Wakeley, Program Director - Community Development
Email	amber@atniedc.com	Email	renatac@mwvcog.org
Phone #	971-678-9721	Phone #	503-588-6177
CCD Business Development Corporation		Northeast Oregon Economic Development District	
Counties	Coos, Curry, Douglas	Counties	Baker, Union, Wallowa
Office Locations	Roseburg North Bend	Office Locations	Enterprise
Website	www.ccdbusiness.org	Website	www.neoedd.org
Contact	Tracy Loomis, Senior Community Development Director	Contact	Lisa Dawson, Executive Director
Email	t.loomis@ccdbusiness.com	Email	lisadawson@neoedd.org
Phone #	541-672-6728	Phone #	541-426-3598
Central Oregon Intergovernmental Council		Oregon Cascades West Council of Governments (Part of Cascades West Economic Development District)	
Counties	Crook, Deschutes, Jefferson	Counties	Benton, Lincoln, Linn
Office Locations	Bend	Office Locations	Albany
Website	www.coic.org	Website	www.ocwcog.org
Contact	Scott Aycock, Community and Economic Development Manager	Contact	Phil Warnock, Community and Economic Development Director
Email	scotta@coic.org	Email	pwarnock@ocwcog.org
Phone #	541-548-8163	Phone #	541-924-8474
Columbia-Pacific Economic Development District		Lane Council of Governments (Part of Cascades West Economic Development District)	
Counties	Clatsop, Columbia, Tillamook, Western Washington County	Counties	Lane
Office Locations	St. Helens	Office Locations	Eugene
Website	www.nworegon.org	Website	www.lcog.org
Contact	Mary McArthur, Executive Director and Loan Officer	Contact	
Email	mbmcarthur@nworegon.org	Email	
Phone #	503-397-3099	Phone #	541-682-7450
Greater Eastern Oregon Development Corporation		Greater Portland Economic Development District, Inc	
Counties	Gilliam, Grant, Morrow, Umatilla, Wheeler, Harney, Malheur	Counties	Multnomah, Clackamas, Washington - Oregon, Clark - Washington
Office Locations	Pendleton	Office Locations	Portland
Website	www.geodc.net	Website	www.greaterportlandinc.com
Contact	Susan Christensen, Executive Director	Email	info@greaterportlandinc.com
Email	susan.christensen@geodc.net	Phone #	503-445-8065
Phone #	541-612-7142	Counties	Multnomah, Clackamas, Washington - Oregon, Clark - Washington
Mid-Columbia Economic Development District		South Central Oregon Economic Development District	
Counties	Hood River, Wasco, Sherman - Oregon Skamania and Klickitat - Washington	Counties	Lake, Klamath
Office Locations	The Dalles	Office Locations	Klamath Falls
Website	www.mcedd.org	Website	www.scoedd.org
Contact	Amanda Hoey, Executive Director	Contact	Betty Riley, Executive Director
Email	amanda@mcedd.org	Email	betty@scoedd.org
Phone #	541-296-2266	Phone #	541-884-5593
Source: Staff Interviews and Economic Development District Websites		Southern Oregon Regional Economic Development, Inc	
		Counties	Jackson, Josephine
		Office Locations	Medford
		Website	www.soredi.org
		Contact	Colleen Padilla, Senior Business Development Manager
		Email	colleen@soredi.org
		Phone #	541-773-8946

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

Nationally there are 1,031 Community Development Financial Institutions (CDFIs).²⁵ The CDFI Fund recognizes 21 CDFIs in Oregon. CDFIs are mission driven entities that provide various financial development services to individuals and businesses in traditionally underserved market niches. Types of organizations that can be certified include banks, credit unions, loan funds, venture capital funds, microenterprise development loan funds, and community development corporations. To be a certified CDFI, an organization must complete the CDFI certification process through the CDFI Fund, part of the U.S. Department of the Treasury.

The CDFI Fund also certifies Community Development Entities (CDE). These organizations are related to CDFIs, but have the primary purpose of working with the New Market Tax Credit Program. An organization can be both a CDFI and a CDE.

The federal certification of CDFIs and federal funding opportunities were established in 1994 by the Riegle Community Development and Regulatory Improvement Act with the intent to leverage Federal development money through public-private partnerships. The idea was to pair mission based financial institutions that had a market based approach with federal certification and funding for low-income communities. These federal resources were meant to be a magnet that draws other resources to low-income communities and the financial institution ensures that investment decisions are being made by people who know the community. “Successful community development requires community-based decision making.”²⁶

In 1995, Community Reinvestment Act (CRA) regulations were revised to explicitly recognize loans and investments to CDFIs as qualified CRA activity.²⁷ This is one incentive for banks to work with CDFIs and supply capital for loan deals.

CDFIs in Oregon

Community Development Financial Institutions play many different roles in Oregon’s capital ecosystem. CDFIs themselves can play a variety of roles depending on the needs of their communities and the expertise of their staff.

Possible Roles:

- Lender
 - Provide non-bank loans to traditionally underserved borrowers
 - Provide mortgage financing for low-income and first-time homebuyers
 - Provide gap-financing to business in between traditional lending stages
- “Boots on the Ground”
 - Build community relationships
 - Understand current challenges and opportunities of specific communities
 - Create trust
- Personal Finance Supporter
 - Provide Credit Builder Loans to improve borrower credit
 - Offer Individual Development Accounts: a grant matched savings account for personal or business goals
 - Offer education or technical assistance for microenterprise

²⁵ CDFI Fund

²⁶ CDFI Fund. https://www.cdfifund.gov/Documents/CDFI_7374_infographics_final.pdf

²⁷ CDFI Coalition. <http://www.cdfi.org/about-cdfis/>

- Partner
 - Partner with other business development resources to leverage impact
 - Example: Community Lending Works and Sprout! Food Hub
- Intermediary
 - Provide vetted community development loan funds for institutional impact investors
 - Example: Northwest Health Foundation works with CDFIs to select loan funds for their impact investing dollars because the CDFIs have experience creating impact outcomes and with reducing the risk of impact loans through their relationships and experience.
 - Example: Northwest Area Foundation makes all of their mission-related investments through CDFIs.
- Lever
 - Take loans, grants, and investments from others and leverage their impact in low-income communities through revolving loan funds and wholistic financial development support.
- Ally to banks
 - Helps businesses who aren't currently able to get a loan migrate into traditional banking relationship
 - Stepping stone along the financial path as businesses grow, mitigating bank's risk
 - Partner for Community Reinvestment Act compliance

Being a certified CDFI allows CDFIs to apply for funding through the U.S. Department of the Treasury's CDFI Fund. The CDFI fund gives large, unrestricted grants, but they don't give them to all CDFIs. Although Oregon has 21 recognized CDFIs, only five of them received CDFI Fund funding in 2014 and only three received the funding in 2015.²⁸ Seventy-five CDFI Fund grants have been given to Oregon CDFIs since 1996.

CDFI Fund funding is especially helpful because it is unrestricted money.

Definitions of terminology within the sector can differ. For Community Lending Works in Springfield, microenterprise is defined as less than \$7,500 in sales and/or five or fewer employees. Small business is defined as between \$7,500 and \$75,000. CLW is focused on the niche of \$50,000 in sales or less. CLW is also working to better understand the capital needs and potential of the microenterprise and small business agricultural and food manufacturing sectors.

CDFIs can maintain low charge-off rates despite offering more loans to traditionally risky customers because of their strong relationships with customers and variety of available services that help customers be successful in both business and personal financial development.

²⁸ CDFI Fund, <https://www.cdfifund.gov/programs-training/certification/cdfi/Pages/default.aspx>

Table 18: Oregon Certified Community Development Financial Institutions 2015

Organization Name	Financial Institution Type	City	Organization Website
Affiliated Tribes of Northwest Indians Financial Services	Loan Fund	Dallas	atniedc.com
Albina Community Bancorp	Depository Institution Holding Company	Portland	www.albinabank.com
Albina Community Bank	Bank or Thrift	Portland	www.albinabank.com
Albina Opportunities Corporation	Loan Fund	Portland	albinaopportunities.org
Cascade Community Federal Credit Union	Credit Union	Roseburg	www.cascadecu.org
Community and Shelter Assistance Corporation	Loan Fund	Sherwood	www.casaoforegon.org
Community Housing Fund	Loan Fund	Beaverton	thecommunityhousingfund.org
Community LendingWorks	Loan Fund	Springfield	www.nedcocdc.org
Cutting Edge Federal Credit Union	Credit Union	Milwaukie	www.cuttingedgefcu.org
Craft3	Loan Fund	Astoria Bend Portland Walla Walla, WA	www.craft3.org
HDC Community Fund LLC	Loan Fund	Portland	www.housingdevelopmentcenter.org
Innovative Changes	Loan Fund	Portland	www.innovativechanges.org
Marion and Polk Schools Credit Union	Credit Union	Salem	www.mapscu.com
Micro Enterprise Services of Oregon	Loan Fund	Portland	mesopdx.org
MID OREGON FEDERAL CREDIT UNION	Credit Union	Bend	www.midoregon.com
Network for Oregon Affordable Housing	Loan Fund	Portland	noah-housing.org
Pacific Crest Federal Credit Union	Credit Union	Klamath Falls	www.pacificcrestfcu.com
Point West Credit Union	Credit Union	Portland	www.pointwestcu.com
Portland Housing Center	Loan Fund	Portland	www.portlandhousingcenter.org
SELCO Community Credit Union	Credit Union	Eugene	www.selco.org
Trailhead Federal Credit Union	Credit Union	Portland	www.nrfcu.org

STATE OF OREGON BUSINESS FINANCE PROGRAMS

The State of Oregon supports several small business financing programs. The following business finance programs are backed by lottery dollars and include direct loan and loan guarantees. Total capitalization for the programs is \$45.5 million. Total cumulative assets of the listed programs equal \$62.8 million.

Table 19: Summary of Cumulative Capitalization (State of Oregon General and Lottery Funds) from Inception through 10/31/2016:

Program (Year established)	State	Federal	Other*	Total
OBDF (1986)	\$19,615,000	\$5,500,000		\$25,115,000
EDLF (1991)	\$1,590,000		\$3,050,000	\$4,640,000
SBEP (2015)	\$0	\$0	\$5,000,000	\$5,000,000
CEF (1991)	\$3,481,000	\$12,850,000	\$0	\$16,331,000
CAP (1991)	\$2,104,000	\$317,000	\$3,150,000	\$5,571,000
Total	\$26,790,000	\$18,667,000	\$11,200,000	\$45,457,000**

*Source of "Other" are transfers from OBDF to EDLF, SBEP, CEF and CAP

**The "Other" capitalization is not included in the calculation for Total Capitalization as the funds were realized due to program income or other internal sources.

Oregon Business Development Fund (OBDF) is a revolving loan fund that provides term fixed-rate financing for land, buildings, equipment, machinery and permanent working capital. Participants must create or retain jobs and must typically be a traded-sector business in manufacturing, processing or distribution. The program gives preference to projects located in rural and distressed areas and to small businesses with fewer than 100 employees.

Loans have:

- A maximum amount of \$1,000,000;
- A maximum term and amortization of 20 years or the useful life of the project and/or collateral;
- A fixed interest rate of U.S. Treasury Bills plus 1% APR (4% minimum APR); and,
- A 1 ½% loan origination fee.

Applications must show the business:

- Has the ability to create or retain jobs as a result of the loan;
- Is a traded sector manufacturing, production, processing or distribution company;
- Has a commitment from a qualified private financial partner or economic development organization for additional loan funds;
- Can provide good and sufficient collateral for the loan;
- Possesses a reasonable capacity to repay the loan; and
- Meets other criteria outlined in the OBDF Application and Oregon Administrative Rule.

Receivable Balance	\$21,401,000
Cash Available	\$7,864,000
Allowance for Loan Loss	\$4,212,000
Commitments	\$1,819,000
Total Assets	\$35,296,000

Table 20: Oregon Business Development Fund Program Loans Detail (Source: Business Oregon)

Program	2012			2014			2015		
	County	Total Project	Loan Amount	County	Total Project	Loan Amount	County	Total Project	Loan Amount
OBDF 47 Loans	Clackamas	\$50,000	\$50,000	Jackson	\$598,628	\$111,451	Linn	\$445,000	\$115,862
	Deschutes	\$1,500,000	\$600,000	Lane	\$1,629,300	\$450,000	Multnomah	\$2,385,000	\$155,790
	Deschutes	\$1,600,000	\$640,000	Lane	\$1,933,345	\$700,000	Union	\$4,893,404	\$700,000
	Douglas	\$600,000	\$116,021	Lane	\$866,433	\$328,000	Polk	\$2,347,240	\$741,000
	Lane	\$2,022,485	\$300,000	Deschutes	\$722,500	\$280,000	Yamhill	\$6,000,000	\$300,085
	Lane	\$100,000	\$100,000	Deschutes	\$474,500	\$182,750	Linn	\$920,000	\$365,000
	Marion	\$650,000	\$78,812	Malheur	\$11,000,000	\$195,000	Wallowa	\$200,000	\$200,000
	Marion	\$70,000	\$70,000	Crook	\$918,200	\$250,000	Clackamas	\$512,008	\$150,000
	Multnomah	\$50,000	\$50,000	Lane	\$1,425,000	\$600,000	Lane	\$1,207,796	\$400,000
	Wasco	\$5,000	\$5,000	Josephine	\$393,112	\$154,600	Lane	\$765,000	\$74,000
	Yamhill	\$2,500	\$2,500	Lane	\$824,000	\$162,000	Deschutes	\$925,000	\$366,000
							Lane	\$4,800,000	\$400,000
							Linn	\$1,835,500	\$734,000
							Deschutes	\$989,000	\$395,600
Total		\$6,649,985	\$2,012,334		\$20,785,018	\$3,413,801		\$28,224,948	\$5,097,337

Small Business Expansion Program

The Small Business Expansion Program, operating within the OBDF direct loan program, is a new alternate financing solution fit for situations in between "almost bankable" and angel or venture capital deals, similar to mezzanine financing for working capital. This pilot program allows businesses to make a periodic payment as a percentage of net sales combined with scheduled monthly payments of principal and interest (fixed rate) to accommodate growing companies that may not qualify for traditional financing.

How it Works:

The percentage of sales varies per applicant. Business Oregon seeks to realize a target return on investment—from repayment of principal, interest and revenue payments—over a three to seven year period. Additional payments may be required in event of early payoff or sale of the company. Once the pre-determined return target has been achieved, all payments stop and the company has satisfied its repayment obligations.

Key Requirements:

The company must satisfy all requirements of the [OBDF program](#) including, but not limited to, being a traded-sector business and having significant job creation impacts. Each revenue finance request will be evaluated on a **case-by-case basis**, but the following will be required, **in general**:

- Existing history of sales
- Potential for rapid growth in sales
- History of significant gross profit margins or reasonable expectations of ability to achieve significant gross profit margins; and
- Collateral to secure the loan or personal guarantees of major owners
- Typical financing amount is up to \$250,000.

Benefits:

Revenue financing provides many benefits to Oregon businesses compared to traditional debt and equity financing, including:

- Business owner does not dilute ownership interest.

- Revenue financing may be less expensive than equity-based investment.
- Makes financing available that may not be available from traditional sources of debt or Business Oregon's other business finance programs.

Receivable Balance	\$490,000
Cash Available	\$4,010,000
Allowance for Loan Loss	\$0 (Pilot)
Commitments	\$500,000
Total Assets	\$5,000,000

Oregon Capital Access Program (CAP) helps lenders (banks and credit unions) make more commercial loans to small businesses and provides capital for startup or expansion. The Capital Access Program (CAP) is designed for non-profit and for-profit businesses seeking funds for most business purposes. All types of loans and lines of credit are eligible. Lenders build a loan-loss reserve each time they enroll a loan. Contributions to the loan-loss reserve account are matched by Oregon Capital Access Program.

CAP loans:

- Have enrollment fees between 3% and 7% as determined by the financial institution;
- Will receive a match on the enrollment fee of up to \$35,000 per borrower; and,
- Have rates and terms for repayment determined by the lender.

CAP loans may not be used to:

- Purchase or improve residential housing;
- Purchase or improve real property not used for business operations; or,
- Refinance an existing balance of a non-enrolled loan.

Total Assets	\$180,000
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Table 21: Oregon Business Capital Access Program Enrolled Loans (Source: Business Oregon)

Program	2012			2014			2015		
CAP Enrolled 117 Loans	City	Loan Amount	Covered Amount	City	Loan Amount	Covered Amount	City	Loan Amount	Covered Amount
	Astoria	\$20,000	\$20,000	Astoria	\$20,000	\$20,000	Albany	\$70,000	\$35,000
	Astoria	\$78,000	\$75,000	Canby	\$35,000	\$35,000	Cannon Beach	\$45,000	\$45,000
	Astoria	\$10,500	\$10,500	Cottage Grove	\$30,000	\$30,000	Eugene	\$210,000	\$210,000
	Beaverton	\$39,460	\$35,000	Cottage Grove	\$60,000	\$60,000	Eugene	\$100,000	\$25,000
	Boring	\$150,000	\$150,000	Eugene	\$25,000	\$8,750	Eugene	\$10,000	\$10,000
	Clackamas	\$35,000	\$35,000	Eugene	\$41,200	\$40,000	Eugene	\$25,000	\$25,000
	Corvallis	\$35,000	\$35,000	Eugene	\$27,248	\$21,800	Lake Oswego	\$37,680	\$37,680
	Eugene	\$31,435	\$30,000	Eugene	\$41,890	\$21,890	Milwaukie	\$30,000	\$30,000
	Eugene	\$57,200	\$32,200	Eugene	\$50,000	\$25,000	Portland	\$67,000	\$35,000
	Eugene	\$57,200	\$25,000	Eugene	\$62,000	\$42,000	Portland	\$535,000	\$135,000
	Eugene	\$50,000	\$50,000	Eugene	\$100,000	\$50,000	Salem	\$25,000	\$25,000
	Eugene	\$50,000	\$50,000	Milwaukie	\$45,000	\$35,000	Salem	\$25,000	\$25,000
	Eugene	\$58,000	\$33,000	North Plains	\$60,000	\$35,000	Seaside	\$50,000	\$50,000
	Eugene	\$58,000	\$25,000	Portland	\$113,000	\$50,000	Springfield	\$50,000	\$50,000
	Eugene	\$24,960	\$24,960	Portland	\$113,000	\$50,000	Wilsonville	\$20,000	\$20,000
	Eugene	\$50,000	\$50,000	Portland	\$120,000	\$85,000	Woodburn	\$25,000	\$25,000
	Eugene	\$49,075	\$37,500	Portland	\$125,000	\$125,000			
	Eugene	\$49,075	\$10,000	Portland	\$20,063	\$20,000			
	Eugene	\$158,000	\$158,000	Salem	\$50,000	\$25,000			
	Eugene	\$50,000	\$50,000	Salem	\$100,000	\$35,000			
	Eugene	\$250,000	\$50,000	Salem	\$85,000	\$35,000			
	Eugene	\$167,000	\$52,000	West Linn	\$510,000	\$150,000			
	Eugene	\$5,000	\$5,000						
	Eugene	\$100,000	\$100,000						
	Gervais	\$25,000	\$25,000						
	Gresham	\$15,000	\$15,000						
	Hillsboro	\$25,000	\$25,000						
	Hillsboro	\$35,000	\$35,000						
	Lake Oswego	\$105,000	\$105,000						
	Manzanita	\$15,000	\$15,000						
	Milwaukie	\$50,000	\$35,000						
	Portland	\$35,000	\$35,000						
	Portland	\$360,000	\$360,000						
	Portland	\$35,000	\$35,000						
	Salem	\$15,000	\$15,000						
	Salem	\$25,000	\$25,000						
	Salem	\$70,000	\$50,000						
	Salem	\$70,000	\$20,000						
	Salem	\$35,000	\$35,000						
	Salem	\$500,000	\$25,000						
	Seaside	\$25,000	\$25,000						
	Sherwood	\$86,000	\$22,000						
	South Beach	\$18,635	\$18,635						
	Wilsonville	\$35,000	\$35,000						
	Woodburn	\$55,000	\$55,000						
Total		\$3,267,540	\$2,153,795		\$1,833,401	\$999,440		\$1,324,680	\$782,680

Oregon Credit Enhancement Fund (CEF) is a loan insurance program available to lenders to assist businesses in obtaining access to capital. The fund guarantees loans made by lenders providing working capital or fixed-asset loans to businesses. The program:

- Can assist most businesses located in Oregon;
- Can assist businesses that are using proceeds to clean up a Brownfield site;
- Can include loans used for fixed assets, working capital or export financing;
- Can insure term loans and lines of credit; and,
- Has an enrollment fee typically between 1.5% and 3.0% of the insured amount based on the terms of the credit facility.

Loans guarantees are:

- A maximum of 80% of the loan amount up to \$2,000,000 exposure for term loans;
- A maximum term that does not exceed the useful life of assets securing the loan or being financed with a maximum term of 15 years for real estate loans;
- A maximum of 75% of the loan up to \$1,500,000 exposure for operating lines of credit;
- A maximum term of 1 year for operating lines of credit;
- Eligible for business loans and operating lines made by financial institutions (banks and credit unions); and
- Meet other criteria outlined in the CEF Application and Oregon Administrative Rule.

Total Assets	\$19,619,000
Exposure	\$47,228,000
Available Exposure	\$11,629,000

Table 22: Oregon Credit Enhancement Fund Detail (Source: Business Oregon)

Program	2012			2014			2015		
	City	Loan Amount	Guarantee	City	Loan Amount	Guarantee	City	Loan Amount	Guarantee
CEF 278 Guarantees	Baker City	\$150,000	\$120,000	Ashland	\$1,047,000	\$177,000	Ashland	\$500,000	\$375,000
	Baker City	\$300,000	\$150,000	Bandon	\$200,000	\$113,431	Baker City	\$15,000	\$11,250
	Baker City	\$232,188	\$116,094	Beaverton	\$500,000	\$375,000	Baker City	\$35,000	\$28,000
	Beaverton	\$500,000	\$375,000	Bend	\$500,000	\$375,000	Bandon	\$367,500	\$294,000
	Beaverton	\$500,000	\$375,000	Bend	\$250,000	\$187,500	Beaverton	\$500,000	\$375,000
	Bend	\$50,000	\$37,500	Bend	\$376,000	\$300,800	Beaverton	\$500,000	\$300,000
	Bend	\$200,000	\$150,000	Bend	\$100,000	\$50,000	Bend	\$800,000	\$400,000
	Bend	\$880,000	\$141,680	Bend	\$340,000	\$170,000	Bend	\$250,000	\$187,500
	Brownsville	\$250,000	\$187,500	Bend	\$350,000	\$210,000	Bend	\$100,000	\$50,000
	Camas Valley	\$30,000	\$21,000	Bend	\$100,000	\$60,000	Bend	\$50,000	\$25,000
	Coburg	\$409,000	\$327,200	Bend	\$880,000	\$205,000	Bend	\$350,000	\$210,000
	Coburg	\$379,961	\$303,971	Bend	\$730,550	\$70,550	Bend	\$990,000	\$198,000
	Coburg	\$100,000	\$45,000	Coos Bay	\$500,000	\$375,000	Coos Bay	\$500,000	\$200,000
	Coburg	\$125,000	\$100,000	Coos Bay	\$100,000	\$75,000	Coquille	\$32,800	\$26,240
	Coos Bay	\$500,000	\$375,000	Coos Bay	\$200,000	\$85,000	Coquille	\$40,000	\$20,000
	Coos Bay	\$500,000	\$375,000	Cottage Grove	\$36,000	\$28,800	Corvallis	\$100,000	\$80,000
	Coos Bay	\$500,000	\$375,000	Durham	\$250,000	\$200,000	Durham	\$250,000	\$200,000
	Coos Bay	\$500,000	\$375,000	Eugene	\$100,000	\$90,000	Eugene	\$100,000	\$90,000
	Coos Bay	\$80,000	\$60,000	Eugene	\$100,000	\$90,000	Eugene	\$200,000	\$150,000
	Coos Bay	\$80,000	\$60,000	Eugene	\$387,688	\$174,460	Eugene	\$50,000	\$37,500
	Coos Bay	\$100,000	\$75,000	Eugene	\$377,041	\$169,669	Eugene	\$50,000	\$37,500
	Coos Bay	\$500,000	\$375,000	Eugene	\$363,188	\$163,435	Florence	\$100,000	\$75,000
	Coos Bay	\$500,000	\$250,000	Eugene	\$750,000	\$562,500	Florence	\$680,000	\$510,000
	Creswell	\$85,975	\$60,183	Eugene	\$26,400	\$19,800	Gearhart	\$235,600	\$52,600
	Dundee	\$495,000	\$396,000	Eugene	\$50,000	\$37,500	Hermiston	\$150,000	\$120,000
	Eugene	\$250,000	\$90,000	Eugene	\$1,150,000	\$920,000	Lafayette	\$950,000	\$760,000
	Eugene	\$50,000	\$37,500	Eugene	\$540,000	\$270,000	Lyons	\$200,000	\$160,000
	Eugene	\$100,000	\$80,000	Eugene	\$652,500	\$108,750	Milton Freewater	\$99,706	\$89,735
	Eugene	\$150,000	\$81,000	Florence	\$100,000	\$75,000	Myrtle Point	\$300,000	\$225,000
	Eugene	\$400,000	\$180,000	Grants Pass	\$536,000	\$428,800	Newport	\$610,000	\$305,000
	Eugene	\$750,000	\$562,500	Grants Pass	\$1,740,000	\$1,228,440	Ontario	\$365,000	\$292,000
	Florence	\$20,000	\$15,000	Hermiston	\$300,000	\$240,000	Redmond	\$200,000	\$150,000
	Florence	\$20,000	\$15,000	Hermiston	\$150,000	\$105,000	Redmond	\$200,000	\$150,000
	Florence	\$50,000	\$37,500	Hermiston	\$50,000	\$35,000	Roseburg	\$673,000	\$538,400
	Florence	\$50,000	\$37,500	Hermiston	\$50,000	\$35,000	Roseburg	\$526,500	\$87,750
	Hermiston	\$150,000	\$112,500	Hubbard	\$452,000	\$20,750	Salem	\$110,000	\$88,000
	Hermiston	\$150,000	\$112,500	Junction City	\$750,000	\$562,500	Salem	\$40,000	\$30,000
	Hermiston	\$230,097	\$184,078	Junction City	\$800,000	\$512,000	Springfield	\$1,505,000	\$265,000
	Hermiston	\$146,000	\$73,000	Keizer	\$1,252,690	\$602,345	The Dalles	\$920,000	\$620,000
	Hermiston	\$728,095	\$364,047	Keizer	\$350,000	\$26,250	Tualatin	\$1,500,000	\$1,125,000
Hermiston,	\$350,000	\$262,500	Lake Oswego	\$1,000,000	\$562,500				
Hermiston,	\$350,000	\$262,500	Medford	\$665,867	\$532,694				
Hillsboro	\$250,000	\$175,000	Medford	\$1,371,596	\$96,596				
Hillsboro	\$150,000	\$75,000	Milwaukie	\$502,000	\$115,750				
Hillsboro	\$1,650,000	\$1,237,500	Pendleton	\$808,957	\$76,957				
Hubbard	\$550,000	\$412,500	Portland	\$150,000	\$135,000				
Island City	\$988,000	\$790,400	Portland	\$100,000	\$90,000				
Island City	\$812,000	\$365,400	Portland	\$2,500,000	\$500,000				

Table 22: Oregon Credit Enhancement Fund Detail (Continued)

Program	2012			2014			2015		
CEF 278 Guarantees	City	Loan Amount	Guarantee	City	Loan Amount	Guarantee	City	Loan Amount	Guarantee
	Junction	\$150,000	\$112,500	Redmond	\$200,000	\$150,000			
	Junction City	\$700,000	\$560,000	Redmond	\$137,700	\$24,300			
	Junction City	\$460,000	\$103,730	Redmond	\$796,000	\$398,000			
	Klamath Falls	\$145,000	\$108,750	Springfield	\$125,000	\$112,500			
	Klamath Falls	\$140,000	\$98,000	Springfield	\$25,000	\$22,500			
	Klamath Falls	\$408,750	\$327,000	Springfield	\$50,000	\$37,500			
	Klamath Falls	\$191,250	\$153,000	Springfield	\$225,000	\$177,188			
	La Pine	\$500,000	\$375,000	Springfield	\$288,000	\$48,000			
	Lostine	\$850,000	\$425,000	Tualatin	\$2,500,000	\$1,875,000			
	Lostine	\$250,000	\$187,500	Tualatin	\$2,000,000	\$1,500,000			
	Medford	\$100,000	\$75,000						
	Medford	\$500,000	\$300,000						
	Milton Freewater	\$123,286	\$110,957						
	Milwaukie	\$776,800	\$466,080						
	Myrtle Point	\$300,000	\$225,000						
	Myrtle Point	\$300,000	\$225,000						
	Myrtle Point	\$300,000	\$225,000						
	Ontario	\$400,000	\$300,000						
	Ontario	\$400,000	\$300,000						
	Pendleton	\$420,000	\$273,000						
	Pendleton	\$40,000	\$26,000						
	Portland	\$50,000	\$25,000						
	Portland	\$200,000	\$150,000						
	Portland	\$200,000	\$150,000						
	Portland	\$184,000	\$138,000						
	Portland	\$400,000	\$135,000						
	Portland	\$250,000	\$182,000						
	Prineville	\$100,000	\$85,000						
	Prineville	\$100,000	\$85,000						
	Prineville	\$75,000	\$63,750						
	Prineville	\$75,000	\$63,750						
	Prineville	\$125,000	\$106,250						
	Prineville	\$125,000	\$106,250						
	Redmond	\$200,000	\$150,000						
	Redmond	\$200,000	\$150,000						
	Rogue River	\$1,363,250	\$164,500						
	Roseburg	\$25,000	\$22,500						
	Salem	\$350,000	\$262,500						
	Salem	\$400,000	\$300,000						
	Salem	\$104,000	\$52,000						
	Salem	\$50,000	\$37,500						
	Salem	\$410,000	\$328,000						
	Sherwood	\$500,000	\$220,800						
	Springfield	\$79,395	\$17,515						
	Springfield	\$125,000	\$112,500						
	Springfield	\$125,000	\$112,500						
	Springfield	\$110,000	\$88,000						
	Talent	\$190,000	\$152,000						
	Talent	\$400,000	\$300,000						
Total		\$30,262,047	\$19,525,884		\$30,932,177	\$15,989,763		\$15,145,106	\$8,938,475

Oregon Industrial Development Bonds (IDB) are available to projects, exempt facilities and nonprofit organizations to provide access to capital primarily for value-added manufacturing.

Entrepreneurial Development Loan Fund (EDLF) provides direct loans to help startups, micro-enterprises and small businesses expand or become established in Oregon. This fund fills a niche not provided through traditional lending markets.

Participants must meet one, or both, of the following criteria:

- Have revenues of less than \$500,000 in the previous 12 months; or,
- Be a business owned by a severely disabled person.

Loans are:

- A maximum amount of \$75,000;
- Typically repaid over 5 years; and,
- A fixed interest rate of Prime plus 2% APR.

Applications must show the business:

- Can provide good and sufficient collateral for the loan;
- Possesses a reasonable capacity to repay the loan;
- Meets program equity requirements;
- Is enrolled in small business counseling through Certified Entities; and,
- Meets other criteria outlined in the EDLF Application and Oregon Administrative Rule.

Receivable Balance	\$898,000
Cash Available	\$911,000
Allowance for Loan Loss	\$765,000
Commitments	\$115,000
Total Assets	\$2,689,000

Table 23: Oregon Entrepreneurial Development Loan Fund Detail (Source: Business Oregon)

Program	2012			2014			2015		
	County	Total Project	Loan Amount	County	Total Project	Loan Amount	County	Total Project	Loan Amount
EDLF 42 Loans	Baker	\$225,192	\$50,000	Deschutes	\$45,000	\$25,000	Deschutes	\$58,150	\$28,000
	Clackamas	\$170,000	\$50,000	Deschutes	\$175,000	\$50,000	Lane	\$100,000	\$50,000
	Columbia	\$50,000	\$40,000	Deschutes	\$95,000	\$75,000	Lane	\$554,466	\$50,000
	Deschutes	\$172,000	\$22,000	Douglas	\$60,000	\$50,000	Marion	\$300,000	\$25,000
	Deschutes	\$40,000	\$32,000	Lane	\$27,000	\$22,000	Multnomah	\$50,000	\$40,000
	Jackson	\$102,800	\$18,000	Lane	\$62,500	\$50,000	Polk	\$50,400	\$32,000
	Josephine	\$60,000	\$50,000	Lane	\$253,500	\$50,000			
	Lane	\$35,000	\$35,000	Marion	\$31,000	\$19,000			
	Marion	\$60,000	\$50,000						
	Marion	\$52,535	\$40,000						
	Multnomah	\$244,200	\$50,000						
	Union	\$180,000	\$50,000						
	Union	\$55,974	\$46,645						
	Yamhill	\$104,380	\$16,500						
	Yamhill	\$145,920	\$50,000						
	Total		\$1,698,001	\$600,145		\$749,000	\$341,000		\$1,113,016

NEW MARKETS TAX CREDIT PROGRAM

Also known as the Low Income Community Jobs Initiative, the Oregon New Markets Tax Credit (NMTC) Program has generated significant investment into the state's capital ecosystem by means of both state and federal contributions. Frequently used for commercial real estate and manufacturing projects, additional sectors such as education, healthcare, community facilities, retail businesses, and renewable energy have also benefited from strategic use of this credit opportunity. Simply put, the NMTC program is a 39% investment tax credit, claimed over a seven-year horizon, that can be monetized up front and used to fund projects. Of the projects funded in Oregon to date, over 41% have been located in "rural" Oregon, as compared to the national average of 17.8%.

Community Development Entities (CDEs) serve as intermediaries to ensure that Low Income Communities (LICs) benefit from the investment capital and decide which Qualified Active Low-Income Community Business (QALICB) will receive funding. The process to apply for CDE status is extremely competitive and business owners should ensure they meet qualifying criteria well before submitting an application. Fortunately, Portland based Roeder & Company, LLC specializes in consulting and advisory services for clients in the renewable energy and community development business. They are among Oregon's leading authorities for business owners looking to consider applying for the NMTC Program. One of the key factors in successful allocation is "...getting involved early with the applicant" according to Roeder & Company founder and CEO, Reynold Roeder. When asked what makes an application attractive to CDEs, Reynold confirmed that applications with specific detailing of business strategy, community impacts (with a bonus for targeting "severely distressed" census tracts), management capacity, and capitalization strategy stand a better chance of receiving an allocation. Additionally, Reynold offers that a crucial determinant of success is "whether or not the project expressed in the application ties in with the CDEs business strategy." Furthermore, applicants should also consider the "But For" test, which serves as an unspoken guideline for proposals under consideration. Essentially, applicants should ask whether or not the project would have been fully funded and the community benefits realized, "but for" without the NMTC investment. Sara Roeder Pietka, Vice President of Roeder & Co., maintains that QALICBs increase their chances of receiving investment capital if they are able to demonstrate a financing gap. "The NMTC Program is great for those projects who may have reached 80% of their target investment and are now looking for help in reaching their total budget target," offers Sara. As a result of the complexities involved with NMTC distribution, in addition to deciphering whether or not your business meets the QALICB criteria, it is crucial to seek consultation early in the application process.

Currently, the Oregon NMTC Program is fully subscribed, but extension may be realized in the 2017 state legislative session. Nicolo R. Pinoli, an NMTC specialist and partner at Portland based Novogradac & Company LLP, confirms both Reynold's and Sara's frustration with the current NMTC Program. "One of the biggest challenges to the Program is the disproportionate relationship of supply and demand," offers Nicolo, "demand may be twenty times that of availability." The positive is that the CDE's can be selective with which projects they pursue, but this in return leaves many viable proposals unable to capitalize on the credit.

Table 24: Qualified Active Low Income Community Business Tax Credit Allocation 2014 & 2015 by Recipient Entity (Source: Business Oregon)

	Project Location	2014		2015	
		State NMTC Allocation	Federal NMTC Allocation	State NMTC Allocation	Federal NMTC Allocation
R&R QALICB, LLC	Cave Junction	\$8,000,000	\$10,000,000		
Albina Head Start	Portland	\$8,000,000	\$10,000,000		
Integrated Biomass Res	Wallowa	\$3,750,000	\$13,600,000		
Advantage Harbor QALICB	Albany	\$4,000,000	\$13,000,000		
CMD Innovations, LLC	Salem	\$2,400,000	\$13,600,000		
Hog Wild LLC	Portland	\$2,105,900	\$13,600,000		
ARC Recycling LLC	Eugene	\$2,100,000	\$13,600,000		
Brew Dr. Kombucha	Portland	\$1,873,000	\$13,600,000		
Integrated 3D LLC	The Dalles	\$1,800,000	\$13,600,000		
Oregon Child Dev Coalition	Hillsboro	\$4,000,000	\$11,000,000		
Bright Boy	Tualatin	\$1,380,500	\$13,600,000		
Fry Ontario LLC	Ontario			\$8,000,000	\$20,000,000
Brew Dr. Kombucha	Portland	\$374,600	\$13,600,000		
Lime Wind Holdings LLC	Baker City	\$4,000,000	\$8,400,000		
Coos County Historical Society Real Estate Holding	North Bend	\$4,000,000	\$3,510,000	\$4,000,000	\$5,490,000
Turtle Island Foods/Merganser, LLC	Hood River	\$4,000,000	\$6,435,000		
Hacienda	Portland			\$7,063,000	\$10,000,000
Coquille Sixes	Curry Cnty			\$8,000,000	\$9,000,000
Desolation Creek, LLC	Pilot Rock			\$8,000,000	\$7,500,000
Neighborhood House	Portland	\$4,000,000	\$1,600,000		
St. Vincent de Paul Society of Lane County	Eugene			\$8,000,000	\$5,000,000
Chaucer QALICB Inc.	Forest Grove	\$4,000,000	\$2,340,000		
MWFY NMTC Holdings	Albany			\$8,000,000	
C2F	Beaverton			\$8,000,000	
Pacific NW College of Art	Portland			\$8,000,000	
Pacific Recycling, Inc.	Portland			\$8,000,000	
Walgreens Company	Portland			\$8,000,000	
Kroger Management	Warrenton			\$8,000,000	
Sustainable Agriculture & Energy Center	Boardman	\$4,000,000			
Shelter Care 499 Project	Eugene	\$4,000,000			
Advantage QALICB-1 LLC	John Day	\$4,000,000			
Advantage LaPine QALICB	LaPine	\$4,000,000			
Ride Connection QALICB	Portland	\$4,000,000			
The Salvation Army Services	Portland	\$4,000,000			

USDA RURAL DEVELOPMENT FUNDING

The U.S. Department of Agriculture (USDA) Rural Development is committed to helping improve the economy and quality of life in rural America. They offer loans, grants, and loan guarantees to support essential services, such as housing, healthcare, first responder services and equipment, and water, electric, and communications infrastructure. With their facilitation of loans to businesses, the USDA aims to promote economic development throughout the state. They offer technical assistance and information to help agricultural producers and cooperatives get started and improve the effectiveness of their operations. Additional initiatives focus on providing technical assistance to help communities undertake community empowerment programs. Furthermore, USDA Rural Development helps rural residents buy or rent safe, affordable housing and make health and safety repairs to their homes.

Table 25: USDA Rural Loan Programs

Program	Description
Business & Industry Loan Guarantee Program (B&I)	The Business & Industry (B&I) Loan Guarantee Program bolsters the existing private credit structure by guaranteeing of loans for rural businesses, allowing private lenders to extend more credit to more businesses.
Rural Energy for America Program (REAP)	The Rural Energy for American Program (REAP) provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements.
Rural Business Development Grant Program (RBDG)	The Rural Business Development Grant (RBDG) Program is a competitive grant designed to support targeted technical assistance, training, and other activities leading to the development or expansion of small and emerging private businesses that have fewer than 50 employees, less than \$1 million in gross revenues, and operate in rural areas.
Rural Business Opportunity Grant (RBOG)	The RBOG program promotes economic growth in rural communities by supporting training and technical assistance for business development and to assist with regional economic development planning. A specific emphasis within RBOG is support for collaborative economic planning and development through regional food systems.
Value Added Producer Grant Program (VAPG)	The Value Added Producer Grant (VAPG) Program helps agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based, value-added products in order to help generate new products, create and expand marketing opportunities, and increase producer income.
Rural Economic Development Loan & Grant Program (REDLG)	The Rural Economic Development Loan and Grant (REDLG) Program provides funding to rural projects through local utility organizations. Under this program, USDA provides zero interest loans to local utilities, which they in turn pass through to local businesses for projects that will create and retain employment in rural areas. USDA also provides grant funds to local utility organizations, which use the funding to establish revolving loan funds to help finance projects that will create or retain rural jobs.
Intermediary Relending Program (IRP)	The Intermediary Relending Program (IRP) provides low-interest loans to local intermediaries that re-lend the money to businesses and for community development projects in rural communities.
Rural Cooperative Development Grant Program (RCDG)	The Rural Cooperative Development Grant (RCDG) Program helps to improve the economic condition of rural areas by assisting individuals and businesses in the startup, expansion, or operational improvement of rural cooperatives and other mutually-owned businesses through Cooperative Development Centers.
Socially Disadvantaged Group Grant Program (SDGG)	The Socially Disadvantaged Group Grant (SDGG) Program helps provide technical assistance to socially-disadvantaged groups through cooperatives and Cooperative Development Centers.
Rural Micro-entrepreneur Assistance Program (RMAP)	The Rural Microentrepreneur Assistance Program (RMAP) provides loans and grants to Microenterprise Development Organizations to be used for microloans for microenterprise startups and growth through a Rural Microloan Revolving Fund or to provide training and technical assistance to microloan borrowers and microentrepreneurs.

Table 26: Oregon USDA Rural Development Funding Programs 2014 & 2015

Business Programs	2014		2015	
	Number of Transactions	\$ Value	Number of Transactions	\$ Value
Business & Industry Program	18	\$42,837,980	17	\$56,361,594
Repowering Assistance Program	0	\$0	1	\$1,437,305
Rural Business Enterprise Grant Program	14	\$436,384	11	\$516,626
Rural Cooperative Development Grant Program	1	\$121,030	1	\$200,000
Rural Energy for America Program	12	\$169,142	61	\$1,427,243
Rural Micro-entrepreneur Assistance Program	3	\$405,000	4	\$193,687
Value Added Producer Grant Program	0	\$0	16	\$2,024,512
Totals	48	\$43,969,536	111	\$62,160,967

Table 27: Oregon USDA Rural Development Funding by Oregon Region 2014 & 2015

	2014		2015	
	# of Grants/Loans	Regional Totals	# of Grants/Loans	Regional Totals
North, Central & South Central	15	\$16,148,641	31	\$23,878,958
Greater Eastern & Northeast	7	\$7,191,681	18	\$10,516,682
South Coast & Southern	6	\$5,183,144	16	\$16,370,916
North Coast, Mid & South Valley	12	\$15,146,775	33	\$3,251,590
Metro	7	\$269,295	13	\$8,142,821
Totals	47	\$43,939,536	111	\$62,160,967

Success Story: In 2014, the USDA played a crucial role in securing the capital requirements needed to preserve a struggling Roseburg-based boat company. Feeling the full effects of the 2008/9 recession, the future of North River Boats based in southwestern Oregon was in jeopardy. Facing receivership and the possibility of losing dozens of local jobs, entrepreneur Brent Hutchings recognized potential in the company and found a lender in Beneficial State Bank. Through the USDA's Rural Development Business & Industry Program, which bolsters private credit structure by guaranteeing loans to rural businesses, Hutchings was able to secure a pair of loans for \$2.7 and \$1.84 million. The funds were used to consolidate the four Roseburg locations into one 88,000-square foot facility, hire back many of the staff, and even support the addition of 16 additional high-wage positions. The company has tripled its revenue over the last several years, which has fostered increased employee wages, benefits, and 401(k) retirement accounts with a company match. "Without the loan provided by Beneficial State Bank and guaranteed by Rural Development, there was a very good chance this company would be sold to an out-of-state buyer and these great folks would lose their jobs," said Hutchings. North River Boats is now the fastest growing heavy gauge aluminum boat manufacturing company in the western United States.

VENTURE CAPITAL EQUITY

Venture capital (VC) for the purposes of this report is defined as institutional high-risk equity capital typically focused on traded-sector companies with a high-potential for rapid growth. This form of capital typically precedes other forms of growth capital like debt. Data for transactions falling under the VC category are available from a number of sources; however, we found agreement on numerical totals to be inexact. We represent below the data from two sources: Thomson Reuters via PricewaterhouseCoopers MoneyTree™, and Pitchbook Data, Inc. While totals vary somewhat, they are consistent within a range that is instructive for those attempting to understand the scale of capital flowing through this channel into Oregon based companies.

PricewaterhouseCoopers MoneyTree™ data indicates that **Oregon is maintaining its relative share of venture funding activity relative to the nation in a growing overall market. Oregon is gradually increasing its share of venture activity in the Northwest region** – up 3 percentage points since 2012.

It is reasonable to conclude, however, that **institutional venture stage investment capital remains a scarce commodity within the state of Oregon. Resident venture capital is especially scarce and this gap may limit opportunities for those companies that may have a venture-fundable profile within the State.**

The Pitchbook data in **table 29 and table 30** shows that within Oregon, the Portland Metro area accounts for the vast majority of VC funded transactions.



Table 28: PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report, Data: Thomson Reuters
VC Investments by US, Northwest Region, and Oregon 2012-2015



	2012		2013		2014		2015	
	Deals	Amount \$M						
US	4,005	\$27,725	4,307	\$30,294	4,498	\$51,150	4,561	\$60,108
Northwest	155	\$1,015	169	\$1,044	150	\$1,546	195	\$1,619
Oregon	40	\$125	38	\$139	32	\$197	49	\$240
Oregon % of US		0.4%		0.5%		0.4%		0.4%
Oregon % of Northwest		12%		13%		13%		15%

*Northwest region includes Oregon, Washington and Idaho

Source: Thomson Reuters

Table 29: Sample of Prominent Oregon Venture Deals in 2014 & 2015

Company (City)	Date	Investors (including prior rounds)	Round Size	Series	Sector
VendScreen (Portland)	Jan 2014	3x5 Special Opportunity Fund, Merrickhanna Ventures	\$17.8M	A	Commercial Products
Clinicient (Portland)	Mar 2014	Catalyst Investor, Highway 12, Village Ventures	\$15M	C	Healthcare Tech
Act-On (Portland)	Apr 2014	Norwest Venture Partners, TCV, Trinity Ventures, US Venture Partners, Voyager Capital	\$42.1M	E	Commercial Services
PuppetLabs (Portland)	June 2014	VMware, Radar Partners, Cisco, Google Ventures, True Ventures, KPCB, Emerson Street Partners	\$40M	E	Commercial Services
Brammo (Talent)	Sept 2014	Aviva Investors, EarlyShares.com, Honey R Capital, Terracap Ventures	\$12.5M	D	Clean Transportation
Inpria (Corvallis)	Oct 2014	Oregon Angel Fund, Samsung Ventures	\$8.8M	A1	Semiconductors
Elemental Tech (Portland)	Dec 2014	General Catalyst Partners, Norwest Venture Partners, Steamboat Ventures, Voyager Capital, Telstra Ventures	\$14.5M	D	Software
Urban Airship (Portland)	Feb 2015	August Capital, Foundry Group, Verizon Communications, True Ventures, Intel Capital	\$21M	D	Software
Zapproved (Portland)	Feb 2015	K1 Capital, Individuals	\$15M	C	Software
Jama Software (Portland)	Mar 2015	Madrona, Trinity Ventures, Oregon Angel Fund, Updata Partners	\$20M	C	Software
Building Energy (Portland)	Sept 2015	Alumia	\$20M	n/a	Energy Services
PayRange (Portland)	Sept 2015	Matrix Partners, Max Levchin, Nyca Partners	\$12M	A	Consumer Durables
JanRain (Portland)	Dec 2015	EPIC Ventures, Salesforce, Millennium Technology Value Partners, Split Rock Partners, Emergence Capital, RPM Ventures, DFJ Frontier, Anthem	\$27M	D	Internet

Source: PitchBook™, CrunchBase

Table 30: 2014 Early + Later Stage Venture Capital by Regional Solution Area

Regional Solutions Team/ City	Total Dollars	# of Deals	Average Deal	Median Deal
North, Central & South Central				
Bend	\$1.4M	2	\$0.7M	
Greater Eastern & Northeast				
		0		
South Coast & Southern				
Talent	\$12.5M	1		
North Coast, Mid & South Valley				
Corvallis	\$8.7M	1		
Metro				
Beaverton	\$2.2M	2	\$1.1M	
Gresham	\$7.0M	1		
Portland	\$193.7M	29	\$7.8M	\$3.2M
Tualatin	\$25.0M	1		
Wilsonville	\$1.5M	1		
Sub-Total	\$229.5M	34	\$7.6M	\$2.6M
Total	\$252.8M	38	\$7.4M	\$2.6M

Source: Pitchbook™

Table 31: 2015 Early + Later Stage Venture Capital by Regional Solution Area

Regional Solutions Team/ City	Total Dollars	# of Deals	Average Deal	Median Deal
North, Central & South Central				
Bend	\$0.3M	2	*	
Greater Eastern & Northeast				
Hermiston	\$7.0M	1		
South Coast & Southern				
Ashland	\$3.2M	1		
North Coast, Mid & South Valley				
Eugene	\$13.3M	3	\$4.4M	\$5.3M
Metro				
Beaverton	\$7.5M	2	\$3.8M	
Canby	\$20.2M	1		
Gresham	\$4.5M	2	\$2.25M	
Hillsboro	\$5.0M	1		
Portland	\$181.3M	33	\$5.5M	\$2.6M
Tualatin	\$6.5M	1		
Wilsonville	\$1M	2	*	
Sub-Total	\$225.2M	42	\$5.4M	\$2.8M
Total	\$248.9M	49	\$5.1M	\$2.9M

Source: Pitchbook™

SMALL BUSINESS ADMINISTRATION (SBA) LOANS

The SBA remains vigilant in its pursuit to foster business growth for both startups and small businesses alike. A short clarification on the SBA's involvement within the capital ecosystem is warranted here, but we would direct you to www.sba.gov/about-sba for a more detailed explanation. The SBA provides a guaranty to the lender for a portion, up to 85% of the total loan amount. This guaranty is necessary for higher risk deals, often those that fall short of the lender's collateral requirements. Such insurance alleviates a significant portion of the lender's exposure and fosters the flow of capital to start-ups and growth stage businesses.



A recurring theme across multiple funding channels over the last two years, which continues to surface in 2016, is the difficulty in matching the right applicant with the corresponding lender. In addition to finding the right lender, the application process alone may be quite cumbersome or may fail to reach the appropriate personnel. Sometimes subject to scrutiny in this area, the SBA has strengthened and streamlined its presence along these boundaries and has several new tools to offer. Please reference the appendix for a full slate of available and market specific SBA lenders.

With over 20 years of experience in banking and credit industries, Scott Bossom, a lender relations specialist from the Portland SBA District Office, tries to match the business profile with the right lender. While Scott understands the frustrations that accompany many financing campaigns, he offers that if a business is having trouble securing financing, they are most likely falling into one of two buckets: 1) they are either looking in the wrong place, or 2) they aren't ready. Scott attributes the negative connotation SBA lending sometimes carries in the market to confusion. Perceived as "bad loans" or "not bankable", applicants seeking SBA support may be talking to lenders that would never accept the proposal with or without the SBA guaranty. Furthermore, business owners may at other times be talking to the right lender, but the wrong person. As a result of the high employee turnover associated particularly with banks having large retail branch networks, this leads to a lot of "green" bankers that may not fully understand their bank's approach to SBA lending. Additionally, Scott affirms that collateral shortfalls are the most common reason lenders want the SBA guaranty. Due to severe regulation in the banking industry, banks can be handicapped from accepting an otherwise sound business proposal because the owner does not have the assets to support the debt they need. The SBA guaranty mitigates this exposure and allows them to move forward with the deal. "I explain that in most of these SBA deals, they are requests that the bank would decline all day long conventionally but approve all day long under the SBA program," offers Scott. However, he again warns that if you talk to someone who doesn't understand how SBA lending works or views SBA as a nightmare for processing, it is unlikely that the applicant will have success. "The hard part is figuring out what pieces of the business profile are the ones to focus on and further, how those pieces end up fitting with a potential lender" says Scott, "my role is to limit the amount of "noise" in this process".

In the startup sector, the SBA offers many tools and resources to help aspiring business owners get off the ground. For those that need some more work before soliciting for capital, the SBA directs them to SCORE/SBDC's for preliminary coaching. For many, Scott points out that one of the biggest hurdles is having "skin in the game". Generally, lenders want to see at least 10% equity before they will consider a proposal. For those falling short of this threshold, the SBA can help you get there by offering advice on preliminary channels of funding and what is needed to position your business as a suitable candidate for participating SBA lenders.

SBA's online lending tool, LINC, matches small businesses with participating SBA lenders. Here, applicants are filtered through to participating SBA lenders within their respective counties by submitting basic information about their business and financing needs. If a lender is interested, the applicant will receive an email with contact information for that lender. This tool is aimed to

streamline both the applicants and lenders effort's by connecting applicants with plausible lenders as quickly as possible. LINC can be accessed through www.sba.gov/tools/linc.

The SBA maintains a Portland District Office which tracks SBA-backed loans within the state plus southern Washington. Eastern Oregon is serviced from the Boise District Office. The SBA has several types of loans available, the most popular being categorized under the 7(a) (general small business loans) program and 504 (real estate and equipment loans) program. Within the 7(a) program there exist a number of sub-types with differing loan parameters and requirements. These include Standard 7(a), SBA Express, CAPLines, International Trade, Exporting Working Capital Program, Small Loan Advantage, and Community Advantage.

For this report, we focus on summary 7(a) and 504 loan data as shown in table 32 and 33.

Table 32: Oregon SBA 7(a) Loan Activity - 2014-15 vs. 2012-13 Comparison.

2012			2013			Total \$ Loan Volume 2012-13	Growth: 2014-15 vs. 2012-13 +31%
# of Loans	\$ of Loans	Average Loan	# of Loans	\$ of Loans	Average Loan		
721	\$219,419,700	\$304,327	748	\$297,336,300	\$397,508	\$516,756,000	
2014			2015			Total \$ Loan Volume 2014-15	
# of Loans	\$ of Loans	Average Loan	# of Loans	\$ of Loans	Average Loan		
779	\$312,082,100	\$400,619	1007	\$364,249,700	\$361,718	\$676,331,800	

Source: SBA Portland District Office

Table 33: Oregon SBA 504 Loan Activity - 2014-15 vs. 2012-13 Comparison.

2012			2013			Total \$ Loan Volume 2012-13	Growth: 2014-15 vs. 2012-13 (42%)
# of Loans	\$ of Loans	Average Loan	# of Loans	\$ of Loans	Average Loan		
114	\$93,045,000	\$816,184.21	82	\$70,583,000	\$860,768	\$163,628,000	
2014			2015			Total \$ Loan Volume 2014-15	
# of Loans	\$ of Loans	Average Loan	# of Loans	\$ of Loans	Average Loan		
84	\$61,006,000	\$726,262	63	\$33,756,500	\$535,817	\$94,762,500	

Source: SBA Portland District Office

Table 34: Oregon SBA 7(a) Loan Activity 2014-15 by Lender

Rank	7(a) Lender	2014			2015			Total \$ Loan Volume
		# of Loans	\$ of Loans	Average Loan	# of Loans	\$ of Loans	Average Loan	
1	Wells Fargo	104	\$42,421,600	\$407,900	176	\$43,912,900	\$249,505	\$86,334,500
2	US Bank	274	\$39,168,000	\$142,949	298	\$44,810,900	\$150,372	\$83,978,900
3	Live Oak Banking Co	15	\$21,994,700	\$1,466,313	27	\$35,479,500	\$1,314,056	\$57,474,200
4	Umpqua Bank	25	\$19,511,000	\$780,440	22	\$29,168,200	\$1,325,827	\$48,679,200
5	Seacoast Commerce	13	\$20,436,000	\$1,572,000	12	\$8,505,400	\$708,783	\$28,941,400
6	Columbia State Bank	30	\$10,837,400	\$361,247	45	\$17,795,400	\$395,453	\$28,632,800
7	Bank of the Cascades	32	\$12,331,700	\$385,366	33	\$14,471,800	\$438,539	\$26,803,500
8	KeyBank	31	\$10,680,000	\$344,516	52	\$12,428,500	\$239,010	\$23,108,500
9	Bank of the West	15	\$8,719,500	\$581,300	15	\$13,568,900	\$904,593	\$22,288,400
10	Pacific Western Bank	4	\$4,619,000	\$1,154,750	13	\$14,755,000	\$1,135,000	\$19,374,000
11	JP Morgan Chase	42	\$9,306,700	\$221,588	51	\$5,839,200	\$114,494	\$15,145,900
12	Unibank	7	\$7,882,000	\$1,126,000	3	\$5,501,000	\$1,833,667	\$13,383,000
13	BBCN Bank	3	\$3,056,000	\$1,018,667	5	\$9,511,000	\$1,902,200	\$12,567,000
14	Summit Bank	4	\$1,249,500	\$312,375	18	\$8,417,600	\$467,644	\$9,667,100
15	Banner Bank	36	\$4,542,200	\$126,172	45	\$4,967,500	\$110,389	\$9,509,700
16	Tbank	2	\$2,681,000	\$1,340,500	6	\$6,544,800	\$1,090,800	\$9,225,800
17	Celtic Bank Corporation	17	\$5,968,000	\$351,059	13	\$3,103,200	\$238,708	\$9,071,200
18	Hana Small Business	3	\$2,691,000	\$897,000	2	\$5,864,000	\$2,932,000	\$8,555,000
19	Pacific Continental	9	\$2,773,100	\$308,122	11	\$5,671,000	\$515,545	\$8,444,100
20	Newtek Small Business	1	\$1,620,000	\$1,620,000	7	\$5,369,000	\$767,000	\$6,989,000
21	Pacific City Bank	5	\$2,544,000	\$508,800	5	\$4,045,000	\$809,000	\$6,589,000
22	Banc of California NA	0	\$0	\$0	4	\$4,482,000	\$1,120,500	\$4,482,000
23	Capital Spring SBLC	0	\$0	\$0	4	\$4,248,700	\$1,062,175	\$4,248,700
24	Mission Valley Bank	0	\$0	\$0	2	\$3,903,100	\$1,951,550	\$3,903,100
25	Plumas Bank	2	\$385,000	\$192,500	6	\$3,042,300	\$507,050	\$3,427,300
	Sub-Total	674	\$235,417,400	\$349,284	875	\$315,405,900	\$360,464	\$550,823,300
	All Others	105	\$76,664,700	\$730,140	132	\$48,843,800	\$370,029	\$125,508,500
	Total	779	\$312,082,100	\$400,619	1007	\$364,249,700	\$361,718	\$676,331,800

Source: SBA Portland District Office

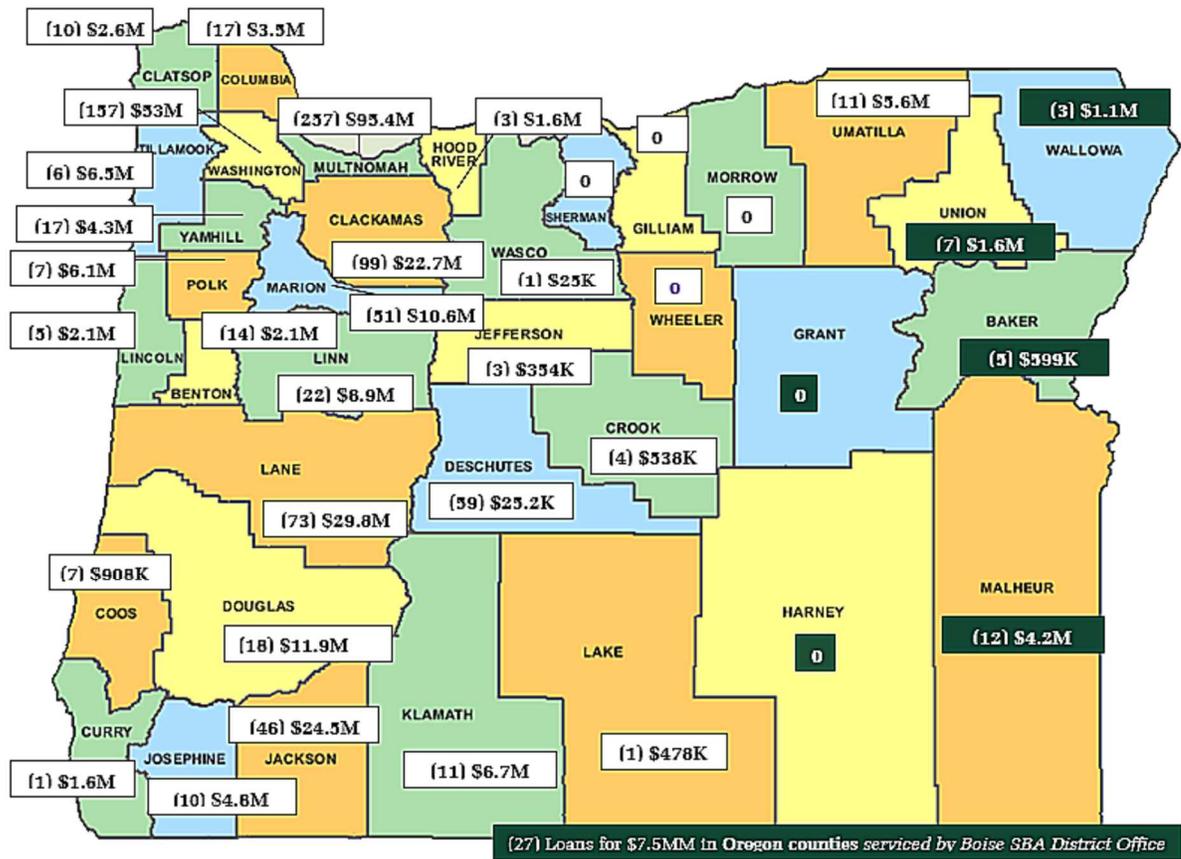
Table 35: Oregon SBA 504 Loan Activity 2014-2015 by Lender

Rank	504 Lender	2014			2015			Total \$ Loan Volume
		# of Loans	\$ of Loans	Average Loan	# of Loans	\$ of Loans	Average Loan	
1	Evergreen Business	51	\$39,853,000	\$781,431	42	\$20,016,000	\$476,571	\$59,869,000
2	NW Bus. Dev.	17	\$12,652,000	\$744,235	10	\$8,790,000	\$879,000	\$21,442,000
3	Cascades West	9	\$4,514,000	\$501,556	6	\$1,307,000	\$217,833	\$5,821,000
4	CCD Business Dev	5	\$2,411,000	\$482,200	2	\$795,500	\$397,750	\$3,206,500
5	Mortgage Capital Dev	0	\$0	\$0	1	\$1,809,000	\$1,809,000	\$1,809,000
6	Landmark Certified Dev	0	\$0	\$0	1	\$615,000	\$615,000	\$615,000
7	Oregon Business Dev	2	\$1,576,000	\$788,000	1	\$424,000	\$424,000	\$2,000,000
	Total	84	\$61,006,000	\$726,262	63	\$33,756,500	\$535,817	\$94,762,500

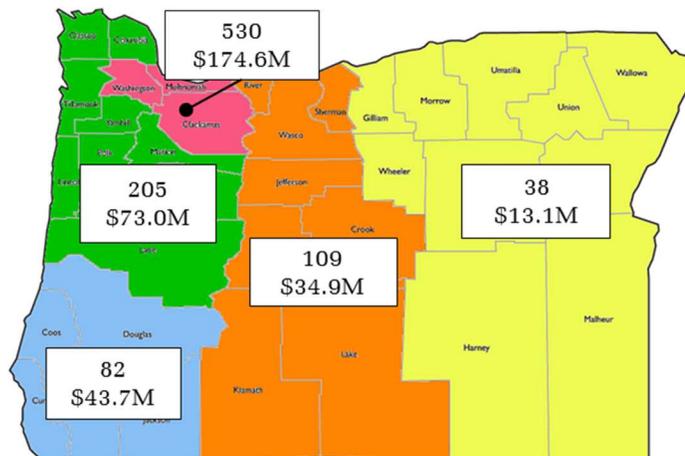
Source: SBA Portland District Office

**Figure M: SBA 7(a) & 504 FYE September 20, 2015
Loan Count and Value by Oregon County**

Key: (# of deals), \$ Amount



**Figure N: SBA 7(a) & 504 FYE September 20, 2015
Loan Count and Value by Regional Solutions Area**



TRADITIONAL SMALL BUSINESS DEBT

The Federal Government through the Federal Deposit Insurance Corporation (FDIC) requires banks to file statements outlining their loan exposures. One category that is identified on those statements is loans to small business and small farms with a breakdown of loans secured by nonfarm nonresidential properties as well as commercial and industrial loans. We find this data, when viewed alongside the often overlapping SBA loan activity data, to be representative of small business loan activity in the State of Oregon – though not a complete accounting as larger, multi-state banks are not represented here. How a business is defined as “small” is a variable that differs by industry and is typically measured by number of employees²⁹. Generally, 500 employees are an upper boundary. In the following tables is the data supplied by a broad array of Banks who do significant business in Oregon. Omitted from this list are the very large banks like Bank of America and Wells Fargo because their aggregated totals are not illustrative of Oregon specific activity.

Table 36: 2014 Loan Portfolio Under \$1M Origination Value by Selection of Oregon Regional Banks³⁰ (Source: FDIC reports)

Name of Institution	City	Reg Agcy	Number of loans secured by nonfarm, nonresidential properties Loan origination amounts of \$1M or less (Lnrenr4N)	Amount (in \$ thousands) of loans secured by nonfarm, nonresidential properties Loan origination amounts of \$1M or less (Lnrenr4)	Number of loans to finance ag production. Loan origination amounts of \$500K or less (Lnag4N)	Amount (in \$ thousands) of loans to finance ag production. Loan origination amounts of \$500K or less (Lnag4)
Albina Community Bank	Portland	FDIC	364	\$126,380	-	\$0
Bank of Eastern Oregon	Heppner	FDIC	725	\$126,756	1,686	\$106,514
Bank of the Cascades	Bend	FDIC	2,805	\$713,521	113	\$3,223
Capital Pacific Bank	Portland	FDIC	306	\$132,979	-	\$0
Centerpointe Comm Bank	Hood River	FDIC	274	\$82,006	103	\$7,297
Citizens Bank	Corvallis	FDIC	1,230	\$276,797	878	\$98,724
Clackamas County Bank	Sandy	FDIC	431	\$112,576	28	\$1,453
Clatsop Community Bank	Seaside	FDIC	284	\$68,122	59	\$4,207
Community Bank	Joseph	FDIC	939	\$193,658	637	\$61,522
Evergreen Federal Savings & Loan Association	Grants Pass	OCC	653	\$179,005	-	\$0
First Federal Savings & Loan Association of McMinnville	McMinnville	OCC	284	\$97,773	-	\$0
High Desert Bank	Bend	OCC	70	\$27,318	-	\$0
Lewis & Clark Bank	Oregon City	FDIC	229	\$81,374	-	\$0
Mbank	Gresham	FDIC	424	\$102,897	1	\$15
Oregon Coast Bank	Newport	FDIC	404	\$64,883	354	\$31,891
Oregon Pacific Bank	Florence	FED	372	\$86,165	16	\$932
Pacific Continental Bank	Eugene	FDIC	2,020	\$683,821	-	\$0
Pacific West Bank	West Linn	FDIC	195	\$63,424	-	\$0
Peoples Bank of Commerce	Medford	FDIC	633	\$168,747	25	\$3,157
Pioneer Trust Bank	Salem	OCC	882	\$182,599	36	\$4,368
Premier Community Bank	Hillsboro	FDIC	395	\$139,972	15	\$3,216
Siuslaw Bank	Florence	FDIC	778	\$175,775	5	\$539

²⁹ Small Business size definitions can be found here: <http://www.sba.gov/content/table-small-business-size-standards>

³⁰ Source: FDIC reports

Summit Bank	Eugene	FDIC	409	\$129,140	-	\$0
The Bank of Oswego	Lake Oswego	FDIC	72	\$24,544	-	\$0
The Commerce Bank of Oregon	Portland	FDIC	68	\$26,405	-	\$0
Umpqua Bank	Roseburg	FDIC	18,861	\$5,296,825	2,208	\$147,516
Willamette Community Bank	Albany	FDIC	250	\$67,831	50	\$5,058
Willamette Valley Bank	Salem	FDIC	259	\$75,965	31	\$2,792
TOTALS			34,616	\$9,507,258	6,245	\$482,424

Table 37: 2015 Loan Portfolio Under \$1M Origination Value by Selection of Oregon Regional Banks³¹ (Source: FDIC reports)

Name of Institution	City	Reg Agcy	Number of loans secured by nonfarm, nonresidential properties	Amount (in \$ thousands) of loans secured by nonfarm, nonresidential properties	Number of loans to finance ag production.	Amount (in \$ thousands) of loans to finance ag production.
			Loan origination amounts of \$1M or less (Lnrenr4N)	Loan origination amounts of \$1M or less (Lnrenr4)	Loan origination amounts of \$500K or less (Lnag4N)	Loan origination amounts of \$500K or less (Lnag4)
Albina Community Bank	Portland	FDIC	375	\$128,805	-	\$0
Bank of Eastern Oregon	Heppner	FDIC	908	\$167,409	1,901	\$131,685
Bank of the Cascades	Bend	FDIC	2,701	\$688,771	52	\$1,617
CenterPointe Comm Bank	Hood River	FDIC	286	\$85,617	130	\$10,465
Citizens Bank	Corvallis	FDIC	1,259	\$291,132	850	\$86,304
Clackamas County Bank	Sandy	FDIC	432	\$111,624	24	\$1,405
Clatsop Community Bank	Seaside	FDIC	309	\$77,063	82	\$4,251
Community Bank	Joseph	FDIC	931	\$198,995	585	\$54,776
Evergreen Federal Savings & Loan Association	Grants Pass	OCC	681	\$184,318	-	\$0
First Federal Savings & Loan Association of McMinnville	McMinnville	OCC	400	\$119,062	-	\$0
High Desert Bank	Bend	OCC	59	\$22,902	-	\$0
Lewis & Clark Bank	Oregon City	FDIC	240	\$75,895	-	\$0
Mbank	Gresham	FDIC	426	\$115,234	4	\$50
Oregon Coast Bank	Newport	FDIC	415	\$70,655	349	\$28,070
Oregon Pacific Bank	Florence	FED	449	\$116,820	18	\$1,078
Pacific Continental Bank	Eugene	FDIC	2,289	\$793,636	-	\$0
Pacific West Bank	West Linn	FDIC	194	\$60,962	2	\$70
Peoples Bank of Commerce	West Linn	FDIC	774	\$204,588	26	\$2,844
Pioneer Trust Bank	Salem	OCC	937	\$196,050	35	\$4,789
Premier Community Bank	Hillsboro	FDIC	435	\$160,486	19	\$4,883
Summit Bank	Eugene	FDIC	446	\$141,065	-	\$0
The Bank of Oswego	Lake Oswego	FDIC	72	\$27,082	-	\$0
The Commerce Bank of Oregon	Portland	FDIC	18	\$5,874	-	\$0
Umpqua Bank	Roseburg	FDIC	20,133	\$5,437,627	2,441	\$175,788
Willamette Community Bank	Albany	FDIC	253	\$69,084	42	\$5,329
Willamette Valley Bank	Salem	FDIC	258	\$79,723	42	\$4,003
TOTALS			35,680	\$9,630,479	6,602	\$517,407

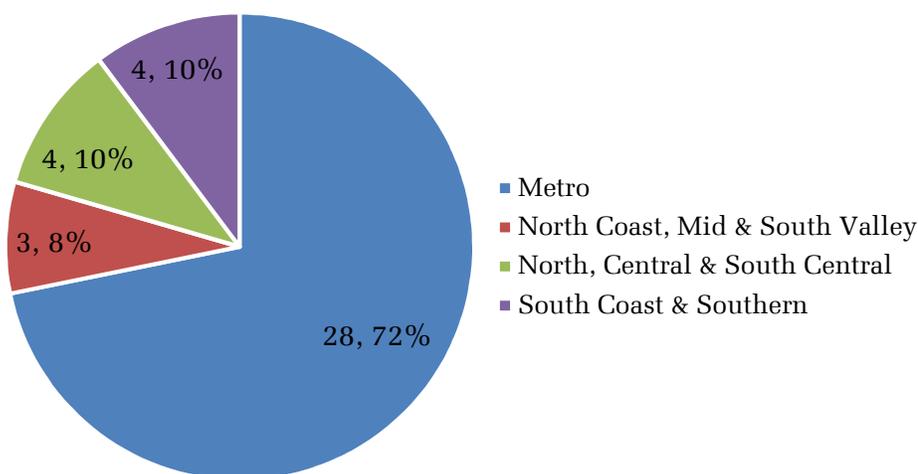
³¹ Source: FDIC reports

PRIVATE EQUITY, M&A (MERGERS & ACQUISITIONS), BUYOUTS, SECONDARY, AND IPOs

In this report, later stage financing rounds are broadly referred to as *private equity* transactions. The number of in-state firms and assets they control are small relative to neighboring states like California and Washington. Further, this form of capital is generally *control oriented* where the investment causes a change in controlling ownership interest in the business. The scale of some of these individual transactions dwarf earlier stage investment transaction amounts due to the maturity stage of companies being engaged and the common change in control. Several out of state firms conduct business within the state of Oregon. According to the American Investment Council, Oregon is home to 17 Private Equity (PE) firms in 2015 (up from 13 in 2013), 41 PE-backed companies, and received \$4.04 billion in investments into Oregon based companies in 2015. Summary PitchBook™ data differs measurably from the AIC data and is likely driven by categorization differences. Oregon's \$4 billion total compares to \$11.6 billion invested into Washington-based companies and \$86.7 billion invested into California-based companies during the same annual period.³² Even on a per capital basis, Oregon lags behind California and Washington. Oregon's standing in the nation did not break the top 20 in 2015. The last year that Oregon appeared in the top 20 for private equity investment volume was 2011. The 20th-ranked state in 2015 was Connecticut with almost \$9 billion dollars of PE transactions. **Anecdotally and quantitatively, the data trend points to an upward trend in activity in Oregon versus the prior report.**

In this report, we include private equity, buyout, M&A, and secondary transactions because they often represent the more mature end of the spectrum of capital for company formation. PE, buyout and M&A often create significant liquidity for founders and business owners that then is available for reinvestment. The wealth created by these transactions is frequently the root source of capital for the Angel/Seed investing ecosystem. In this version of the Oregon Capital Scan, we were able to source more specific data related to company names associated with each transaction. Value of transactions remains sparse as these values are often not reported. Where data was available, it is shown for reference.

Chart 11: 2015 Buyout/Leveraged Buyout (LBO) Transactions by Oregon Region



³² Source: <http://www.investmentcouncil.org/private-equity-at-work/states/>

Chart 12: 2015 Merger & Acquisition Transactions by Oregon Region

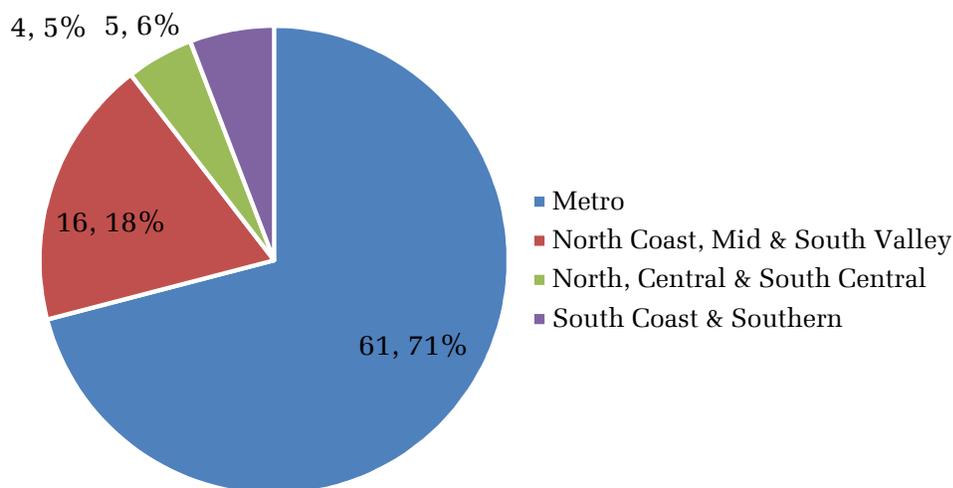


Table 38: 2014 Buyout/LBO Transactions by Oregon Region

(Deal size shown where data available. Source: Pitchbook™)

Company Name	Deal Date	Deal Size (\$M)	Deal Type	Company City
Metro			22	
Quiktrak	07-Apr-2014		Buyout/LBO	Beaverton
DMA Corporation	26-Aug-2014		Buyout/LBO	Beaverton
Cornell Oaks Corporate Center and Creeks	01-Oct-2014	\$160.0	Buyout/LBO	Beaverton
Oregon Iron Works	30-Jun-2014		Buyout/LBO	Clackamas
Garden Style Apartment Community	14-Nov-2014		Buyout/LBO	Eagle Creek
Exodus Pest Control	01-Jan-2014		Buyout/LBO	Hillsboro
Hillsboro Aero Academy	02-Dec-2014		Buyout/LBO	Hillsboro
Unigo	06-May-2014		Buyout/LBO	Lake Oswego
NAVEX Global	21-Nov-2014	\$500.0	Buyout/LBO	Lake Oswego
Encore Senior Living	01-Feb-2014		Buyout/LBO	Milwaukie
Dr. Martens AirWair USA	17-Jan-2014	\$518.1	Buyout/LBO	Portland
Ott's Friction Supply (Certain Assets)	12-Mar-2014		Buyout/LBO	Portland
Floor Solutions	01-Apr-2014		Buyout/LBO	Portland
Revelation	02-Jun-2014		Buyout/LBO	Portland
Axium Software	04-Jun-2014		Buyout/LBO	Portland
Portland Energy Conservation	10-Oct-2014		Buyout/LBO	Portland
NW Mortgage Group	23-Oct-2014		Buyout/LBO	Portland
Mobile Computing Systems	02-Dec-2014		Buyout/LBO	Portland
Northwest Fastener Sales	31-Oct-2014		Buyout/LBO	Tualatin
Precision Wire Components	02-Dec-2014		Buyout/LBO	Tualatin
MIRA Mobile Television	01-Sep-2014		Buyout/LBO	Wilsonville
Kinetics Climax	30-Sep-2014	\$45.0	Buyout/LBO	Wilsonville
Greater Eastern and Northeast			1	
Primus Medical	15-Dec-2014		Buyout/LBO	Boardman
North Coast, Mid & South Valley			4	
Precision Machine & Manufacturing	17-Mar-2014		Buyout/LBO	Eugene
Chambers Communications	15-Jul-2014	\$30.0	Buyout/LBO	Eugene
Burton Saw and Supply	31-Dec-2014		Buyout/LBO	Eugene
Phillips/Sisson Industries	26-Feb-2014		Buyout/LBO	Salem
North, Central & South Central			1	
The Social Business	01-Jan-2014		Buyout/LBO	Bend
Total Number of Transactions	2014		28	

Table 39: 2015 Buyout/LBO Transactions by Oregon Region

(Deal size shown where data available. Source: Pitchbook™)

Company Name	Deal Date	Deal Size (\$M)	Deal Type	Company City
Metro			28	
Albertson (146 Stores)	11-Feb-2015		Buyout/LBO	
Qbase (Government Services Business)	31-Mar-2015		Buyout/LBO	Beavercreek
Canadian Solar	05-Jan-2015		Buyout/LBO	Beaverton
MQI	13-Apr-2015		Buyout/LBO	Beaverton
Waltz Sheridan Crawford Insurance	30-Jul-2015		Buyout/LBO	Forest Grove
TVT Video Technologies	13-May-2015		Buyout/LBO	Hillsboro
Cascade Technical Sciences	01-Nov-2015		Buyout/LBO	Hillsboro
FMT Solutions	06-Jul-2015		Buyout/LBO	Lake Oswego
Taylor Made Labels	30-Sep-2015		Buyout/LBO	Lake Oswego
Stone Wolf Vineyards	08-Dec-2015		Buyout/LBO	McMinnville
Valley Machine Service	02-Jan-2015		Buyout/LBO	North Plains
Bushwacker	20-Jan-2015		Buyout/LBO	Portland
Horizon Engineering	31-Jan-2015		Buyout/LBO	Portland
Triple Point Energy	10-Mar-2015		Buyout/LBO	Portland
Springbrook	08-Apr-2015		Buyout/LBO	Portland
Kitchen Kaboodle	08-Apr-2015		Buyout/LBO	Portland
Dynamic Certification Laboratories	08-May-2015		Buyout/LBO	Portland
Unisource Manufacturing	16-Jun-2015		Buyout/LBO	Portland
Cinema Blend	06-Jul-2015		Buyout/LBO	Portland
KinderCare Education	09-Jul-2015		Buyout/LBO	Portland
Office Property in Downtown Portland	04-Aug-2015		Buyout/LBO	Portland
VideoSurveillance.com	02-Sep-2015		Buyout/LBO	Portland
A&I Benefit Plan Administrators	02-Sep-2015		Buyout/LBO	Portland
Stumptown Coffee Roasters	06-Oct-2015	\$135.0	Buyout/LBO	Portland
11 Bridges	25-Nov-2015		Buyout/LBO	Portland
Volvo Construction Equipment	15-Dec-2015		Buyout/LBO	Portland
Engineered Machinery	31-Mar-2015		Buyout/LBO	Tualatin
Western Metrology	09-Mar-2015		Buyout/LBO	Wilsonville
North Coast, Mid & South Valley			3	
G5 Search Marketing	31-Jul-2015	\$76.0	Buyout/LBO	Bend
Bear Mountain Forest Products	09-Feb-2015	\$23.0	Buyout/LBO	Cascade Locks
Full Sail Brewing	16-Mar-2015		Buyout/LBO	Hood River
North, Central & South Central			4	
Health and Safety Institute	19-May-2015		Buyout/LBO	Eugene
Woodland Park Estates	20-May-2015	\$6.6	Buyout/LBO	Eugene
PharmaSync	30-Sep-2015		Buyout/LBO	Milwaukie
Pieper Ramsdell Agency	01-Dec-2015		Buyout/LBO	St. Helens
South Coast & Southern			4	
Oregon Resources	11-Jun-2015		Buyout/LBO	Coos Bay
Procure Software	20-May-2015		Buyout/LBO	Medford
Linx Acquisitions	08-Dec-2015		Buyout/LBO	Merlin
Morgan Emultech	23-Feb-2015		Buyout/LBO	White City
Total Number of Transactions	2015		39	

Table 40: 2014 Merger/Acquisition Transactions by Region

(Deal size shown where data available. Source: Pitchbook™)

Company Name	Deal Date	Deal Size (\$M)	Deal Type	Company City
Metro				
Amerititle	01-Apr-2014		Merger/Acquisition	
Hidy Honda	30-Dec-2014		Merger/Acquisition	Beavercreek
Hidy Ford	30-Dec-2014		Merger/Acquisition	Beavercreek
Jeff Sanders Promotions	13-Jan-2014		Merger/Acquisition	Beaverton
WeVault.COM	15-Apr-2014		Merger/Acquisition	Beaverton
Travec Automotive	22-Apr-2014	\$2.5	Merger/Acquisition	Beaverton
The CAD Zone	29-Jul-2014		Merger/Acquisition	Beaverton
Teplick Custom Vision	05-Nov-2014		Merger/Acquisition	Beaverton
Bowco Industries	30-Jun-2014		Merger/Acquisition	Canby
The Four Graces	31-Mar-2014		Merger/Acquisition	Dundee
Creative Market Labs	19-Mar-2014		Merger/Acquisition	Lake Oswego
Oregon Wine Services	19-Sep-2014		Merger/Acquisition	McMinnville
Blue Heron Paper	20-May-2014	\$2.2	Merger/Acquisition	Oregon City
Cooper Environmental Services	01-Jan-2014	\$4.2	Merger/Acquisition	Portland
Bettery	01-Jan-2014		Merger/Acquisition	Portland
Morgan Distributing	08-Jan-2014		Merger/Acquisition	Portland
iMove	09-Jan-2014		Merger/Acquisition	Portland
Portland Terminal Facility	22-Jan-2014	\$40.0	Merger/Acquisition	Portland
M3 Appalachia Gathering	12-Feb-2014	\$110.0	Merger/Acquisition	Portland
Simple Finance Technology	20-Feb-2014	\$117.0	Merger/Acquisition	Portland
SnapNames.com	03-Mar-2014		Merger/Acquisition	Portland
SteamFunk Labs	05-Mar-2014		Merger/Acquisition	Portland
Billingsley Wholesale Floral	14-Mar-2014		Merger/Acquisition	Portland
FiLaser USA	10-Apr-2014		Merger/Acquisition	Portland
Suddath Relocation Systems of Oregon	16-Apr-2014		Merger/Acquisition	Portland
Payprotec Oregon	21-Apr-2014	\$3.9	Merger/Acquisition	Portland
Secure Document Technology	22-Apr-2014		Merger/Acquisition	Portland
Axiom EPM	22-Apr-2014		Merger/Acquisition	Portland
Maple Bay Asset Management	02-May-2014		Merger/Acquisition	Portland
WeoGeo	16-May-2014		Merger/Acquisition	Portland
Courtyard Portland City Center	23-May-2014	\$67.0	Merger/Acquisition	Portland
Creative Brand Communications	28-May-2014		Merger/Acquisition	Portland
Measureful	04-Jun-2014		Merger/Acquisition	Portland
Cadillac of Portland Lloyd Center	12-Jun-2014		Merger/Acquisition	Portland
Doral Financial	18-Jun-2014		Merger/Acquisition	Portland
LogiStyle	24-Jun-2014		Merger/Acquisition	Portland
Apio Partners	01-Aug-2014		Merger/Acquisition	Portland
Torrent Energy	21-Aug-2014		Merger/Acquisition	Portland
ShopIgniter	03-Sep-2014		Merger/Acquisition	Portland
Pacific Crest Securities	03-Sep-2014		Merger/Acquisition	Portland
Quixel Research	08-Sep-2014		Merger/Acquisition	Portland
Columbia Grain	30-Sep-2014		Merger/Acquisition	Portland
Columbia Inspection	16-Oct-2014		Merger/Acquisition	Portland
Fred Meyer Emp Federal Credit Union	04-Nov-2014		Merger/Acquisition	Portland
Motivate	11-Nov-2014		Merger/Acquisition	Portland
Advanced Entry Systems	12-Nov-2014		Merger/Acquisition	Portland
Cresa Portland	17-Nov-2014		Merger/Acquisition	Portland
Swift Collective	03-Dec-2014		Merger/Acquisition	Portland
Element Power (U.S. Division)	31-Dec-2014	\$69.0	Merger/Acquisition	Portland
FOODesign Machinery & Systems	01-May-2014		Merger/Acquisition	Wilsonville
Total Number of Transactions			50	

Table 41 2014 Merger/Acquisition Transactions by Region (continued)

(Deal size shown where data available. Source: Pitchbook™)

Company Name	Deal Date	Deal Size (\$M)	Deal Type	Company City
Greater Eastern and Northeast			1	
Swaggart Brothers	11-Dec-2014	\$36.3	Merger/Acquisition	Stanfield
North Coast, Mid & South Valley			9	
Willamette Graystone	01-Sep-2014		Merger/Acquisition	Eugene
LightSmyth Technologies	05-Sep-2014		Merger/Acquisition	Eugene
So Delicious Dairy Free	31-Oct-2014	\$195.0	Merger/Acquisition	Eugene
Pipeworks	12-Nov-2014		Merger/Acquisition	Eugene
Peterson Engineering Consultants	27-Dec-2014		Merger/Acquisition	Keizer
Truitt Bros	01-Apr-2014		Merger/Acquisition	Salem
Avamere Transitional Care At Sunnyside	04-Jun-2014		Merger/Acquisition	Salem
Hanard Machine	13-Jun-2014		Merger/Acquisition	Salem
Pacific Pride Services	29-Jul-2014	\$48.2	Merger/Acquisition	Salem
North, Central & South Central			9	
Deschutes Brewery	01-Jan-2014	\$100.0	Merger/Acquisition	Bend
Capstone Wealth Management	01-Feb-2014		Merger/Acquisition	Bend
Carrera Motors	25-Feb-2014		Merger/Acquisition	Bend
Arbor Mortgage	28-Feb-2014		Merger/Acquisition	Bend
Transaction Labs	01-Apr-2014		Merger/Acquisition	Bend
The Holdren Insurance Group	24-Apr-2014		Merger/Acquisition	Bend
Pacific Superfood Snacks	02-Jul-2014		Merger/Acquisition	Bend
BendBroadband	02-Sep-2014	\$261.0	Merger/Acquisition	Bend
10 Barrel Brewing	07-Nov-2014		Merger/Acquisition	Bend
South Coast & Southern			6	
Massif Mountain Gear	27-Aug-2014	\$10.2	Merger/Acquisition	Ashland
Thermo Pressed Laminates	12-Aug-2014		Merger/Acquisition	Klamath Falls
Profile Grinding & Machine	22-May-2014		Merger/Acquisition	Medford
Harry & David Holdings	30-Sep-2014	\$142.5	Merger/Acquisition	Medford
Umpqua Holdings (6 Branches)	24-Jun-2014		Merger/Acquisition	Roseburg
Coastal Big R	28-Feb-2014		Merger/Acquisition	White City
Total Number of Transactions	2014		75	

Table 42: 2015 Merger/Acquisition Transactions by Region

(Deal size shown where data available. Source: Pitchbook™)

Company Name	Deal Date	Deal Size (\$M)	Deal Type	Company City
Metro				
Moore's Hallow Solar	22-Oct-2015		Merger/Acquisition	
Trinity Community at Fairwood	21-Sep-2015		Merger/Acquisition	Beavercreek
The Lang Chevrolet	28-Oct-2015		Merger/Acquisition	Beavercreek
The O'Gara Group	28-Dec-2015		Merger/Acquisition	Beavercreek
Abacus Resource Management	21-Jan-2015	\$6.2	Merger/Acquisition	Beaverton
Pay Per Cloud	06-Feb-2015		Merger/Acquisition	Beaverton
Provider Advantage NW	13-Apr-2015		Merger/Acquisition	Beaverton
Rise Records	18-May-2015		Merger/Acquisition	Beaverton
Planar Systems	27-Nov-2015	\$156.8	Merger/Acquisition	Beaverton
Custom Touch Collision Care	27-Oct-2015		Merger/Acquisition	Gresham
TriQuint Semiconductor	01-Jan-2015	\$1,600.0	Merger/Acquisition	Hillsboro
Premier Commercial Bancorp	02-Mar-2015	\$19.8	Merger/Acquisition	Hillsboro
TQE Marketing	06-Oct-2015		Merger/Acquisition	Hillsboro
NexPlanar	22-Oct-2015	\$142.3	Merger/Acquisition	Hillsboro
Dave's Killer Bread	14-Sep-2015	\$275.0	Merger/Acquisition	Milwaukie
Pumpkin Ridge Golf Club	06-Oct-2015		Merger/Acquisition	North Plains
BDC Advertising	07-Apr-2015		Merger/Acquisition	Oregon City
Tripwire	02-Jan-2015	\$710.0	Merger/Acquisition	Portland
Totem Steel International	01-Feb-2015		Merger/Acquisition	Portland
Reentrak (Pay-Per-Transaction Business)	05-Feb-2015	\$7.0	Merger/Acquisition	Portland
Formative Assessment Item Bank	23-Feb-2015		Merger/Acquisition	Portland
Bonfire Snowboarding	01-Mar-2015		Merger/Acquisition	Portland
Pivot Leadership	02-Mar-2015	\$21.8	Merger/Acquisition	Portland
Urban Robotics	05-Mar-2015	\$140.0	Merger/Acquisition	Portland
Storycode	05-Mar-2015	\$3.2	Merger/Acquisition	Portland
Evraz Oregon Steel	06-Mar-2015	\$51.0	Merger/Acquisition	Portland
Capital Pacific Bancorp	06-Mar-2015	\$39.6	Merger/Acquisition	Portland
Revcaster	17-Mar-2015		Merger/Acquisition	Portland
SwellPath	23-Mar-2015	\$5.6	Merger/Acquisition	Portland
Digital Aptitude	06-Apr-2015		Merger/Acquisition	Portland
CoolerEmail	07-Apr-2015		Merger/Acquisition	Portland
Intellibot Robotics	15-Apr-2015		Merger/Acquisition	Portland
Orchestra	20-Apr-2015	\$12.0	Merger/Acquisition	Portland
ACME Business Consulting	12-May-2015		Merger/Acquisition	Portland
SET Management	25-May-2015		Merger/Acquisition	Portland
XFuels	28-May-2015	\$0.1	Merger/Acquisition	Portland
StanCorp Investment Advisers	15-Jun-2015		Merger/Acquisition	Portland
GlobeSherpa	29-Jun-2015		Merger/Acquisition	Portland
Autonomous Music	02-Jul-2015		Merger/Acquisition	Portland
Sports One	09-Jul-2015		Merger/Acquisition	Portland
Appthwack	14-Jul-2015		Merger/Acquisition	Portland
RipFog	29-Jul-2015		Merger/Acquisition	Portland
Oregon Roofers Supply	03-Aug-2015		Merger/Acquisition	Portland
Tindie	05-Aug-2015		Merger/Acquisition	Portland
Liquid Development (Oregon)	20-Aug-2015	\$9.0	Merger/Acquisition	Portland
Golden Age Senior Care Home	31-Aug-2015	\$6.7	Merger/Acquisition	Portland
D'Vine Wine	23-Sep-2015		Merger/Acquisition	Portland
Little Big Burger	01-Oct-2015	\$6.1	Merger/Acquisition	Portland
Ron's Hotel & Restaurant Equipment	08-Oct-2015		Merger/Acquisition	Portland
Conscious Box	08-Oct-2015		Merger/Acquisition	Portland
Elemental Technologies	19-Oct-2015	\$296.0	Merger/Acquisition	Portland
AKLeaming	30-Nov-2015		Merger/Acquisition	Portland
OnTheGo Platforms	02-Dec-2015		Merger/Acquisition	Portland
KGW TV	03-Dec-2015	\$23.6	Merger/Acquisition	Portland
NAI Norris Beggs & Simpson	03-Dec-2015		Merger/Acquisition	Portland
Delivered Dish	07-Dec-2015		Merger/Acquisition	Portland
Lamb's Markets	25-Jun-2015		Merger/Acquisition	Tigard
TraneOregon	09-Dec-2015		Merger/Acquisition	Tigard
Anthro	21-Jan-2015	\$50.8	Merger/Acquisition	Tualatin
Tool Supply	08-Apr-2015	\$5.2	Merger/Acquisition	Tualatin
Corrigo	17-Dec-2015		Merger/Acquisition	Tualatin
Total Number of Transactions			61	

Table 43: 2015 Merger/Acquisition Transactions by Region (continued)

(Deal size shown where data available. Source: Pitchbook™)

Company Name	Deal Date	Deal Size (\$M)	Deal Type	Company City
North Coast, Mid & South Valley			16	
John L Scott Real Estate	05-Jan-2015		Merger/Acquisition	Eugene
Feeney Wireless	30-Mar-2015	\$50.0	Merger/Acquisition	Eugene
FabTrol Systems	20-Jun-2015	\$6.5	Merger/Acquisition	Eugene
Price Index Associates	24-Jun-2015		Merger/Acquisition	Eugene
Agate Healthcare	30-Sep-2015	\$120.0	Merger/Acquisition	Eugene
Oregon Wedding Photographer	24-Nov-2015		Merger/Acquisition	Eugene
Estate Sales Eugene Oregon	24-Nov-2015		Merger/Acquisition	Eugene
Siuslaw Financial Group	06-Mar-2015	\$62.3	Merger/Acquisition	Florence
ConceptCodify	26-Aug-2015		Merger/Acquisition	Keizer
Ortho University	13-Feb-2015		Merger/Acquisition	McMinnville
Firelake Manufacturing	15-Apr-2015		Merger/Acquisition	McMinnville
Evergreen Vintage Aircraft	22-Jun-2015	\$22.0	Merger/Acquisition	McMinnville
BedCo Mattress Superstores	06-Feb-2015		Merger/Acquisition	Newberg
SP Fiber Technologies	01-Oct-2015	\$288.5	Merger/Acquisition	Newberg
Bey Promotional Products	28-Jan-2015		Merger/Acquisition	Salem
Kerr Concentrates	03-Aug-2015	\$100.0	Merger/Acquisition	Salem
North, Central & South Central			4	
Agere Pharmaceuticals	20-Mar-2015	\$27.0	Merger/Acquisition	Bend
Structus Building Technologies	30-Jul-2015		Merger/Acquisition	Bend
RE/MAX Key Properties	15-Sep-2015		Merger/Acquisition	Bend
CannAlytical Research	21-Sep-2015	\$0.4	Merger/Acquisition	Bend
South Coast & Southern			5	
Providence-Eagle Point Pediatrics	24-Aug-2015		Merger/Acquisition	Eagle Point
Mycorrhizal Applications	04-Mar-2015		Merger/Acquisition	Grants Pass
Weston Eye Center	30-Jan-2015		Merger/Acquisition	Roseburg
Olsson Industrial Electric	25-Aug-2015		Merger/Acquisition	Springfield
Brammo	16-Jan-2015		Merger/Acquisition	Talent
Total Number of Transactions	2015		86	

Table 44: 2014 & 2015 PE Growth/Expansion Transactions by Region

(Deal size shown where data available. Source: Pitchbook™)

Company Name	Deal Date	Deal Size (\$M)	Deal Type	Company City
Metro				7
Great Ajax (AJX)	08-Jul-2014	\$135.0	PE Growth/Expansion	Beaverton
Great Ajax (AJX)	23-Dec-2014	\$40.9	PE Growth/Expansion	Beaverton
Omega Morgan	30-Sep-2014	\$5.0	PE Growth/Expansion	Hillsboro
NW Polymers	01-Dec-2014		PE Growth/Expansion	Hillsboro
Performance Systems Integration	01-Jan-2014		PE Growth/Expansion	Portland
SoloPower Systems	16-Sep-2014		PE Growth/Expansion	Portland
SemiTorr Group	13-Jun-2014	\$5.2	PE Growth/Expansion	Tualatin
North Coast, Mid & South Valley				1
Perpetua Power Source Technologies	31-Dec-2014	\$3.0	PE Growth/Expansion	Corvallis
North, Central & South Central				1
Hood River Juice Company	10-Jan-2014		PE Growth/Expansion	Hood River
Total Number of Transactions	2014			9
Metro				4
Genesis Financial Solutions	11-May-2015	\$20.0	PE Growth/Expansion	Beaverton
Opus Agency	06-Oct-2015		PE Growth/Expansion	Beaverton
AllMed Healthcare Management	21-May-2015		PE Growth/Expansion	Portland
Alpha Media	02-Sep-2015		PE Growth/Expansion	Portland
North Coast, Mid & South Valley				3
Perpetua Power Source Technologies	08-Sep-2015	\$2.9	PE Growth/Expansion	Corvallis
Wise Woman Herbals	02-Sep-2015		PE Growth/Expansion	Creswell
Climax Portable Machine & Welding	01-Oct-2015		PE Growth/Expansion	Newberg
Total Number of Transactions	2015			7

Table 45: 2014 & 2015 Secondary Transactions by Region

(Deal size shown where data available. Source: Pitchbook™)

Company Name	Deal Date	Deal Size (\$M)	Deal Type	Company City
Metro				1
Viewpoint Construction Software	22-Apr-2014	\$230.0	Secondary Transaction	Portland
South Coast & Southern				1
Umpqua Holdings (UMPQ)	12-Aug-2014	\$243.0	Secondary Transaction	Roseburg
Total Number of Transactions	2014			2
Metro				3
The Clymb	01-Oct-2015		Secondary Transaction	Portland
Paydici	01-Oct-2015		Secondary Transaction	Portland
Chrome Data Solutions	01-Oct-2015		Secondary Transaction	Portland
South Coast & Southern				1
Veresen (Jordan Cove LNG Project)	01-Dec-2015		Secondary Transaction	Coos Bay
Total Number of Transactions	2015			4

OREGON FOUNDATIONS

Oregon’s foundations continue to play a large role in traditional grant-making. They are also increasing the role they play in statewide economic development and providing mission related investments (MRIs) and program-related investments (PRIs)

Economic development has not, traditionally, been a focus for Oregon’s foundations. That is starting to shift. The Ford Family Foundation added its first economic development position in 2015. Representatives from other foundations repeatedly mentioned The Ford Family Foundation’s leadership in both statewide economic development and rural economic development. Challenges to this work include lack of engagement between rural and urban areas in Oregon, not enough micro-lenders, not enough technical assistance available, and the distributed nature of statewide networks--several statewide networks exist, but the capacity of each location’s office can vary widely. In addition to The Ford Family Foundation, other foundations interviewed expressed a new or growing interest in economic development work. Many see a tie between their grant making, MRIs and PRIs, and their ability to support economic development at scale in Oregon.

Table 46: Top Foundations in Oregon and Most Recently Reported Grant Totals

	Name	Annual Grants		Name	Annual Grants
1	The Oregon Community Foundation	\$77,174,751	21	McKenzie River Gathering Foundation	\$814,342
2	Intel Foundation	\$39,047,597	22	The Lazar Foundation	\$760,849
3	Meyer Memorial Trust	\$35,247,826	23	The Carpenter Foundation	\$711,339
4	The Ford Family Foundation	\$26,031,640	24	Benton Community Foundation	\$652,727
5	The Lemelson Foundation	\$13,474,357	25	Fohs Foundation	\$594,000
6	James F. and Marion L. Miller Fndn	\$11,727,650	26	Jubitz Family Foundation	\$590,646
7	The Collins Foundation	\$10,405,890	27	The Jackson Foundation	\$567,200
8	Nike Foundation	\$9,552,230	28	Chiles Foundation	\$441,800
9	Maybelle Clark MacDonald Fund	\$6,654,481	29	Children's Trust Fund of Oregon Fndn	\$432,828
10	The Harold and Arlene Schnitzer CARE Foundation	\$3,105,602	30	The Roundhouse Foundation	\$391,615
11	Oregon Jewish Community Fndn	\$2,935,941	31	Mentor Graphics Foundation	\$355,736
12	The Salem Foundation	\$1,843,114	32	The Woodard Family Foundation	\$355,610
13	The PacifiCorp Fndn for Learning	\$1,655,947	33	Four Way Community Foundation	\$319,908
14	Juan Young Trust	\$1,500,000	34	Bonneville Environmental Foundation	\$285,477
15	The Autzen Foundation	\$1,286,112	35	Lamb Foundation	\$253,385
16	Northwest Health Foundation	\$1,258,881	36	Western Lane Community Foundation	\$246,654
17	PGE Foundation	\$1,209,815	37	William L. and Ruth T. Pendleton Memorial Fund	\$230,100
18	The Bill Healy Foundation	\$1,100,874	38	The James R. Kuse Foundation	\$203,500
19	The Herbert A. Templeton Fndn	\$1,047,792	39	Wessinger Foundation	\$186,000
20	Chambers Family Foundation	\$839,061	40	The Larson Legacy	\$145,292

Source: The Foundation Center. Compiled list based on IRS 990 most recent year available

In 2014, Oregon had 878 foundations that gave over \$371 million in total grants.³³ The majority of these grants were awarded to nonprofit organizations. Foundation investments in economic development-related work and projects are rarely included in capital scans due to the variety of forms they may take and purposes they may serve. A new tracking mechanism would be needed to fully capture the breadth and scope of these investments, and as the total financial impact increases, it may be worth consideration. It is included in this report because it contributes to the economic development of the state and supports employment within the nonprofit sector. This report does not separate grants or donations by region within Oregon. The Oregon Community Foundation has

³³ Foundation Center. 2014 Data. <http://data.foundationcenter.org/#/foundations/all/state:OR/total/list/2014>

published a breakdown of charitable donations to nonprofits in Oregon by county in their *Giving in Oregon 2015* report.³⁴

The Oregon Nonprofit Sector Report created by Portland State University and the Nonprofit Association of Oregon counts 10,429 charitable nonprofits in the state that provide over 166,000 jobs.³⁵ According to the report, this represents 13 percent of the state's private sector employment.³⁶

Social or impact entrepreneurs and policymakers may also be interested in the resources available to nonprofit and public forms of business as social enterprise endeavors increase.

A smaller, but growing, segment of foundation activity comes in the form of program-related and mission-related investing. Program-Related Investing (PRI) is defined here as an investment that is made for a charitable purpose and has a below market rate of return. PRIs are often treated similarly to charitable grants for tax purposes and are typically overseen by the grant making side of a foundation. Social impact is the primary purpose of a PRI. Mission-Related Investing (MRI) is defined here as an investment made for a charitable purpose that has a market rate return. MRIs are treated like other financial investments and are typically overseen by the investing or finance side of a foundation. The intention of an MRI is to create both social and financial returns.

Some ask, "If MRI has market rate returns, why categorize it differently than other investments." The foundations we spoke to use the mission-related or impact terminology as an indicator for their boards, investment committees, and donors that they are employing a different strategy. This can serve to remind decision makers of their purpose as well as signal to donors who are looking for these kinds of innovative impact opportunities. Some foundations primarily use the terminology of mission-related or mission aligned investing, while others use impact investing.

Because PRI is typically done, and counted, on the grant side of the foundations interviewed for this report, the discussion of foundation investing will focus on the growth and use of MRI.

Readers who are policy makers or foundation leaders may find the discussion of MRI of particular interest. Neither PRI nor MRI capital is readily available to entrepreneurs. The use of MRI is new and growing. Foundations are doing pilots to test how to best use MRI. Investment is instigated on the foundation side and they typically find funds to invest in based on word of mouth or existing relationships. Coordination is important to help build these relationships and create the kinds of MRI opportunities that can benefit larger scale economic development across the state. The newness of MRI tools can also be a challenge because foundation boards may be hesitant to take a first mover or leadership position on opportunities that aren't yet proven successful. Better coordination and communication can help to clarify how to take advantage of these opportunities that can include pooling funds or decreasing risk from new investments. Creating direct MRI deals is time consuming and costly. Several foundations mentioned working with CDFIs to help them identify and vet investment opportunities.

MRI can take different forms within and across foundations. Foundations may create or find direct MRI deals or they may outsource their MRI investments by choosing to invest in strategically aligned funds. Some foundations participate in impact investing or elect to have screens on their endowment funds. Some foundations have a specific department or pot of money that is focused on MRI. Some do both. Some do neither. A useful publication was issued by the Mission Investor's Exchange in

³⁴ http://www.oregoncf.org/Templates/media/files/reports/giving_in_oregon_2015.pdf

³⁵ Nonprofit Association of Oregon. Oregon Nonprofit Sector Report. (Written with Portland State University) 2011 Data. <https://nonprofitoregon.org/sites/default/files/uploads/file/ONSR.pdf>

³⁶ *Ibid.*

2013 entitled: “Community Foundation Field Guide to Impact Investing”.³⁷ Not all foundations are community foundations and the rules can vary from one type of foundation to another.

OCF Invests in Small Business Loans for Rural Oregon¹

Historically, it has been challenging for businesses in rural Oregon to access the capital they need to grow. In the wake of the 2008 recession the problem grew worse. Today, while access to traditional capital is improving, entrepreneurs still have difficulty in obtaining the credit they need – and that credit is key to the creation and retention of much-needed jobs in rural areas of the state.

As part of its new impact investing program, OCF is lending \$1M to Craft3, a nonprofit Community Development Financial Institution (CDFI), to make loans available to small businesses in rural Oregon. Craft3 serves low- to moderate-income communities in Oregon and Washington, specializing in loans to small businesses unable to access traditional credit. To date, two loans have closed; one for property redevelopment on Astoria’s working waterfront and the other to a family farm in Milton-Freewater. As the loans are paid back, those dollars go back into the revolving loan fund to assist other businesses.

Meyer Memorial Trust is a good example of this. MMT’s capital deployment is done through three separate areas—grants, strategic investments, and endowment investments. Grants are given based on social impact, without any financial return expectations. Strategic investment is done through the office of Sayer Jones where he looks for investments that will return both social and financial results. While financial returns are the primary goal of the foundation’s endowment investment, MMT also employs screens on their investment. Meyer Memorial Trust and Oregon Community Foundation were mentioned repeatedly in our interviews as trailblazers for MRI and the future of philanthropic investment in Oregon.

Another example is the Oregon Community Foundation’s (OCF) investment in the Oregon Angel Fund. A case study was completed in September 2013³⁸. OCF has also recently invested in Craft3 to make small business loans to emerging companies in Oregon.

The Ford Family Foundation in Roseburg, Oregon has also made grants to Craft3 to increase their lending portfolio for rural Oregon and has added to its capacity to make mission related investments in regional economies with the hiring of a dedicated expert in this area. Nancy Straw, who joined the foundation in late 2014, will focus on rural economic development opportunities.³⁹ As more foundations staff positions to seek and evaluate MRIs, the power of their sizeable endowments may underwrite more investments and institutional investors focused on the Oregon economy.

³⁷ https://www.missioninvestors.org/system/files/tools/FieldGuide_102113_PRINT_v3.pdf

³⁸ <https://www.missioninvestors.org/tools/case-example-the-oregon-community-foundation-oregon-angel-fund>

³⁹ <http://www.tfff.org/general-article-news-stories-etc/national-expert-lead-new-program-community-economic-development>

V. CONCLUSIONS

THERE HAS BEEN MEANINGFUL IMPROVEMENT IN THE EARLY-STAGE COMPANY SUPPORT ECOSYSTEM WITHIN THE STATE OF OREGON SINCE 2012

The eight gaps identified in 2012 continue to exist at varying levels. There has, however, been a meaningful increase in capital in the State and a significant improvement in the earliest stages of the growth capital continuum, which was referred to by Gap #1 in 2012. Accelerator/ Incubator/ Workspace counts are up significantly. Angel/Seed/Convertible debt financings are also up – as are the number of sources for this capital type. The Pacific Northwest has grown its national share of the overall Angel investment ecosystem. There are now many mentor networks, conferences, and events to help assist entrepreneurs to come into contact with experienced professionals who can provide the knowledge to help them reach the next level – and they can be found in more regions of the state than was true in 2012.

At the same time, Oregon continues to lack needed specialist investors in Life Sciences, Cleantech, and Consumer product companies (Food, Apparel, Sport/Outdoor) that would be expected given the strength of those sectors today and in the State’s growth plans.

Gaps identified in 2012:

- Gap#1 – Seed Stage Capital
- Gap#2 – Growth Capital for Bootstrapped Businesses
- Gap#3 – Clean Technology Focused Funding Sources
- Gap#4 – Life Sciences Focused New Venture Funding Sources
- Gap#5 – Growth/Turnaround Capital for the “Formerly Banked”
- Gap#6 – Working Capital for Growth of Small Manufacturers
- Gap#7 – Micro-lending
- Gap#8 – Non-Bank Loan Capital

THE START-UP PLACE TO BE IN OREGON HAS EXPANDED BEYOND PORTLAND

Recent data shows a significant increase in start-up ecosystem support, financing availability, and company formation in Central Oregon (Bend area), South Willamette Valley (Eugene/Corvallis area), and Southern Oregon (Ashland area). With the advent of many new accelerators, including the state-initiated Regional Accelerator and Innovation Network (RAIN) and expansion of services/investors/mentors in Bend, the State is seeing a surge in entrepreneurial activity. Portland is still the dominant city, but there are now more viable options for locating a start-up in the State.

CROWD SOURCED FINANCING IS CHANGING THE LANDSCAPE

Crowd sourced tools and resources for company financing continue to grow and have changed the way a young company pursues capital. With the advent of the Oregon Intrastate Offering Exemption, more people are able to participate in the investment process. These new markets for investment are still in their infancy. Crowdfunding formats are continuing to evolve and Oregon would be well served to create a welcoming, if not advantaged, environment for crowdfunding platforms to experiment and develop. Crowdfunding today primarily services the entry-levels of funding requirements, but it is not hard to imagine that these platforms may continue to scale and present an efficient way for much larger pools of capital to deploy into larger, and often less risky, later-stage growth companies.

THE GROWTH CAPITAL ECOSYSTEM CONTINUES TO STRUGGLE WITH HANDOFFS AND SHARED UNDERSTANDING

Research supports that growth companies continue to struggle to identify and understand the requirements of the multiplicity of financing service providers. In numerous discussions, the team heard the complaint that understanding of, and access to, capital remains localized, disjointed, and not well networked. For the State to present a more robust path for growth financing and company retention, the network of investing entities will need to collaborate to build a more holistic set of communications, education, networking tools, and shared understanding of requirements/fit that can be communicated to growth company executives.

STILL TOO FEW RESIDENT VENTURE CAPITAL, PRIVATE EQUITY, AND MEZZANINE FUNDS DEDICATED TO SOURCING INVESTMENTS IN OREGON, PARTICULARLY MID-STAGE GROWTH COMPANIES

Identified in the last Oregon Capital Scan report, the data shows that Oregon lags behind many states in its share of resident VC, PE and Mezzanine investment funds. Localization of this form of investment capital is slow to arrive without substantial proactive action on the part of those with an interest in making change. Gaps in this area will impact the emerging wave of early-stage companies that are passing through the accelerator and angel/seed funding pipeline in coming years. Without improvement here, many companies may be forced to look to Washington or California for investment which will risk their departure from the state.

STATE NEEDS MORE/BETTER WORKING CAPITAL FINANCING OPTIONS FOR NON-VC PROFILE GROWTH COMPANIES AS THEY SCALE

Many of our most promising companies in Oregon do not fit the traditional VC company profile. Whether they are food companies, consumer product or service companies or have a growth rate profile that is more modest than typical VC hyper-growth requirements, many of our “home-grown” companies can be reliable growth companies that will employ Oregonians with good wages and lifestyles. These companies typically struggle to raise capital to finance growth. Typically, they lack the collateral required for traditional bank loans. To finance the working capital required of a growing product company, there needs to be pools of debt capital with reasonable terms from firms with knowledgeable investors who are able to assist company executives and better assess risk profiles because of their specific industry experience.

VI. RECOMMENDATIONS

Returning to the introductory question of *Who Should Read This Report?* the following recommendations are primarily directed to policymakers, the sponsors of this report, and those who seek to support company formation and funding in the State. We humbly hope these recommendations can spark further discussion and the development of innovative new approaches to enabling a growing Oregon economy and inviting entrepreneurial environment that not only succeeds in nurturing its own emerging growth companies, but also makes Oregon an attractive place for entrepreneurs to move to – the best place for them to pursue their dreams.

RESOURCES FOR WORKING CAPITAL INVESTMENT FUNDS

Several interviews indicated a market gap tied to the availability of working capital funding for growing manufacturing companies. These funds generally are needed for non-VC backed companies after their angel/seed rounds and before they have the ability to collateralize loans from traditional banking sources. Some funding options exist through CDFIs today, but more is needed as the wave of young companies generated by our recent success in accelerators and seed/angel/crowdfunding growth begin to enter the expansion stages.

SUPPORT MID-TO-LATE STAGE RESIDENT INSTITUTIONAL INVESTMENT FUNDS AND FUNDS SPECIFIC TO STATEWIDE TARGET SECTORS

Similar in nature to the previous recommendation, but more broadly based, is the need to see the availability of resident mid and later stage institutional investors expand here in Oregon. Today, the much of this activity is serviced by out of state firms. For a truly vibrant ecosystem, the State must attract more participants to be locally based for it is through local networks that the best diligence, talent acquisition, and investor monitoring can occur.

COMMON NETWORKS/SYSTEMS USAGE AMONG CAPITAL PROVIDERS – CLEARING HOUSES OF INVESTMENT OPPORTUNITIES

One of the outcomes of the business funding ladder concept that was raised in the last report was the disjointed nature of the network. Even within a single category of capital, Economic Development Districts for example, you will find diverse set of systems and tools for processing opportunities. Communication between investment providers and enablers is mostly driven by personally maintained networks. Handoffs between layers of the capital stack can present additional gaps. Statewide coordinators and service providers should gather to summit and plan to create better linkages and systematic information sharing methodologies that support growth companies in their funding/mentoring journey.

BRING INVESTORS/SERVICE PROVIDERS TOGETHER TO FORM AN EDUCATION NETWORK

Gaps in education regarding the capital continuum exist at the growth company executive level without a doubt. They also exist among investor/service providers. Broad-based understanding of the requirements, best-practices, access protocols and profiles of desirable investment opportunities is rare among even those who participate as professionals in the investment ecosystem. A model to follow might look like the OEN Entrepreneurial Summit only with speakers coming from various funding sources and an audience made up of professionals from funding sources alongside capital seekers. By telling the stories of what makes their business work, what their challenges are, and how they select/screen/manage their investment business – a more broadly-held understanding of the complete continuum would develop among many. This understanding could then better radiate out

to the broader entrepreneurial community and help to improve the quality of the overall community of companies seeking investment. A better prepared pipeline makes it more efficient for investors to look at more opportunities, refer opportunities to peers, and do more/better investments.

MORE EXPANSION-STAGE MANAGEMENT TRAINING OPTIONS

Interviews have indicated that the region needs more training for mid-level management for expansion stage companies. The available pool of experienced management talent that is ready for scaling the business stage of growth is considered to be insufficient and importing talent can be costly and time consuming. Additional efforts should be made in the State (by higher-education providers and entrepreneurial ecosystem supporters) to provide additional training for executive management development.

FOUNDATIONS SHOULD CONTINUE TO SEEK TO ACCELERATE IMPLEMENTATION OF MRI AND LOCAL INVESTING ACTIVITIES

This recommendation is a repeat from the 2014 version of this report. The opportunity to expand Mission Related Investment programs continues to be an important way to channel the significant resources of regional foundations, endowments and pensions to further advance regional economic prosperity through business formation and growth. While this trend is moving positively in Oregon, still only a minority of foundations have engaged in this new approach. Some of Oregon's largest foundations have been early adopters of this new paradigm and we recommend that those leaders continue to expand their allocation to mission-related and region-related investing consistent with entrepreneurial business growth. Further, it is hoped that they continue to expand their charitable grant allocation to those organizations state-wide that foster and educate entrepreneurship at all levels. It is worth noting that many of the great fortunes that are the source of our State's foundations and endowments came from courageous and innovative entrepreneurs who dared to grow new businesses based in Oregon. It seems right and aligned that these same organizations should embrace the investment into creating similar success while furthering their own prosperity.

THE OREGON CAPITAL SCAN REPORT SHOULD BE UPDATED EVERY TWO YEARS TO DOCUMENT PROGRESS AND TO HELP EDUCATE NEW ENTRANTS REGARDING THE BUSINESS FUNDING LADDER AND CAPITAL ECOSYSTEM

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VII. APPENDIX

DEFINITIONS / GLOSSARY

Accelerators & Incubators offer a variety of in-kind services that can offset traditional capital requirements through discounted or free support services, rent, mentorship, training and staffing. Differentiating between accelerators and incubators may often be subjective, but typically incubators are considered extremely early stage support and accelerators are a next phase of developmental support.

Angel investors are often associated with seed or early stage investing, but in fact, angels may invest any type of capital at any stage. Angels are commonly wealthy individuals who choose to invest capital in new enterprises. There is a wide range of angel investors. They can vary in the stage and sectors of business in which they invest and also in the frequency and scale of the investments they make. Another difference among angels is their degree of involvement. Some angels serve on company boards where they can add significant expertise. Others don't have the time or specific sector experience to contribute.

Asset-based lending is higher risk than traditional bank lending and has commensurately higher rates of return. This lending can include non-traditional forms of collateral, such as accounts receivable (payments owed to a business by its customers). This type of lending has historically proliferated when capital is tight and businesses have weaker balance sheets.

Buyout capital traditionally uses a small amount of equity, leveraged with a relatively large amount of debt to acquire control of a company. Because little equity is employed, the repayment of debt is relatively risky and consequently the debt carries a high interest rate. Buyout investment groups target mature businesses that have strong balance sheets and stable cash flows to service the debt required by this investment strategy.

Commercialization grants may be available from both Federal and State government sources as well as Foundations and Endowments depending on their mission. Most common of the Federal programs include SBIR/STTR grants. State grants in Oregon include those from Signature Research Centers like ONAMI, OTRADI and OregonBEST.

Commercialization Grants and Investments consist of federal and state funding that is typically focused on funding for research and development (R&D) activities. Federal funding is available through the SBIR/STTR program wherein federal agencies grant over \$2B annually to companies with less than 500 employees to fund research, product development and prototyping. The SBIR grant funding is awarded to companies based on a competitive solicitation and proposal process and is typically awarded in two phases which can provide a total of about \$1M for R&D. The smaller STTR program has a similar structure but is focused on the transfer of university developed technologies into industry. ONAMI and Oregon BEST, two of Oregon's Signature Research Centers also offer funding for R&D. Their funds target startup companies developing high tech products and also target late-stage university research that has commercial potential. Funding from ONAMI and BEST is typically structured as a special purpose investment with a primary goal of stimulating job growth in the state and a secondary goal of receiving a return on the investment. Federal and state R&D funding can be used in combination with private investment and is a good tool for startup companies with more complex technologies that take longer to develop and introduce to the market.

Crowdfunding an emergent category of funding through large pools of individuals can take the form of donations, equity, rewards, or loans. Crowdfunding platforms (CFP) are internet based forums for raising capital.

Convertible debt notes are a form of debt that pay interest, but can be converted into equity based on a predetermined set of triggering events. The benefit is that setting a price or value of the company can be postponed until a later, typically more institutional financing event occurs. These notes are often used in seed, Angel and early stage venture investing.

Early stage venture capital (VC) is usually the first formal or *institutional* round of financing a start-up receives and is often referred to as a series A. Some businesses may have already gone to market, selling to early customers by the time a series A round closes. The venture capital model relies on a strict set of criteria for success: a defensible advantage; a large market in which to scale rapidly; low capital costs; and a strong management team, which includes experience with successful start-ups, domain expertise and a competitive drive to win. VC firms tend to have specific industry domain and stage of development preferences and expertise.

Later stage venture capital (VC) is follow-on financing for businesses that have already received some venture capital investment. This capital is used to scale businesses before a liquidity event such as a private sale or initial public offering (IPO).

Mezzanine capital is invested as preferred equity or debt with high interest rates accompanied by warrants. This capital is often used to finance growth businesses, but can be used in a variety of situations including business turnarounds. Mezzanine lending is unsecured, meaning that it has no claims on assets, contributing to the higher interest rates for this type of debt.

Microloans are small loans to borrowers who do not qualify for traditional bank loans. In the U.S., these loans range from \$100 to \$50,000. Borrowers typically lack collateral, credit history or steady employment. Lenders often require business counseling as a condition of the lending process. This lending counseling/assistance is a critical risk management tool. These loans can play an important role for micro entrepreneurs who have few other options for financing.

Seed stage capital can take the form of equity, but most often is used as convertible debt notes to finance start-ups as they move from concept to prototype or product, prior to being ready to sell their products in the market.

Private equity (PE) funds, like VC funds, are often organized as limited partnerships (LP). This legal structure creates a fiduciary duty for general partners (the investment managers) to act in the best interest of the limited partners (the investors). Private equity is a broad category of private investment funds, that include: venture capital; growth capital; and leveraged buyout funds. These funds are differentiated by their specialized investment strategy. PE funds are typically associated with later stage and larger scale financings versus venture capital funds, though both are considered a form of private equity.

Revenue loans have a current pay obligation similar to the interest rate on a conventional loan, but the current pay obligation on a revenue loan is a percentage of revenue up to a total return, usually 2-3x the original investment. This structure allows a revenue loan to share in the upside of growth through rapid repayment, but doesn't provide quite the burden that conventional debt does when a firm's revenues decline and money is tight.

Small Business Administration 7(a) and 504 guaranteed loans are available from a number of participating banks and differ from traditional loans in that they are guaranteed by the Federal government. These loans may allow banks to take on somewhat riskier small business financings than would otherwise be acceptable.

Strategic investors are companies which invest in businesses that have strategic value to the investor. Strategic investors may deploy their capital at various stages and for various reasons, such as growth through acquisition or access to new technologies ahead of competitors.

Traditional bank loans are made to individuals and businesses, based on a set of standards that rely on assets for collateral, such as a building, and a future cash flow to service the debt. Because bank lending is secured, bank rates are considerably lower than mezzanine debt.

Venture debt is provided to start-ups by specialized banks or venture debt funds. Venture debt carries higher risk than traditional lending and has commensurately higher interest rates than traditional lending. Taking on debt is one way that entrepreneurs can avoid dilution of their company ownership in order to finance growth. Typically, venture debt providers are closely associated with the providers of venture capital equity and form tight working relationships across a number of invested portfolio companies. Investors support venture debt because it may allow them to extend the capital, and therefore the operational runway in order to achieve the next critical milestone.



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