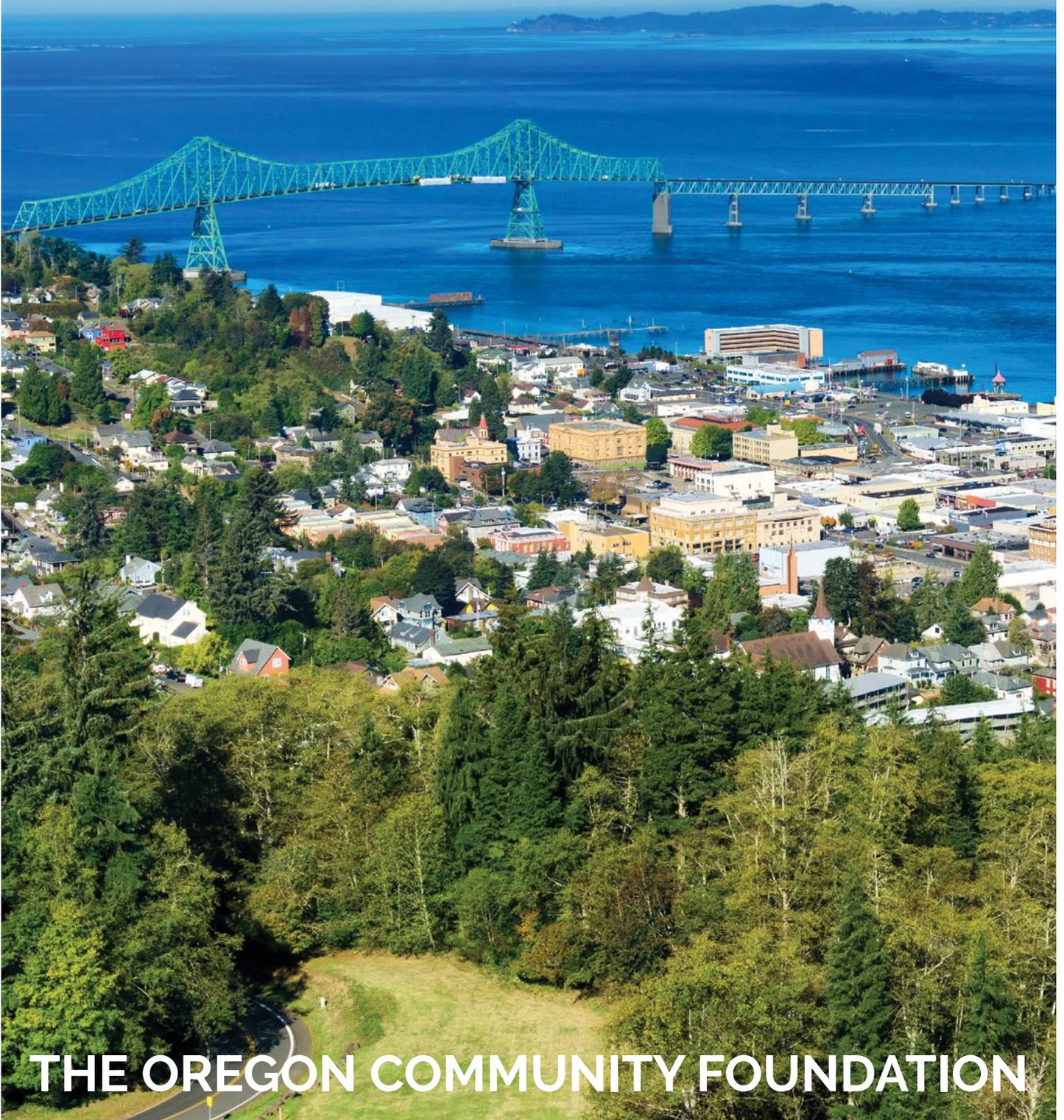




ECONOMIC VITALITY

2010–2016



THE OREGON COMMUNITY FOUNDATION

CONTENTS

- 1 EXECUTIVE SUMMARY**
- 2 INTRODUCTION**
- 4 OREGON VENTURE CAPITAL FUNDS**
- 12 ECONOMIC VITALITY GRANTS**
- 24 IMPACT LOANS**
- 28 CONCLUSION**
- 29 APPENDIX**
 - OCF IN THE NEWS**
 - VENTURE CAPITAL FUND DATA**



CONTRIBUTORS TO THIS REPORT

Melissa Freeman • Brandan Kearney • Sonia Worcel • Molly Yeend

OCF VOLUNTEERS WHO HAVE SERVED ON THE STRATEGIC OPPORTUNITIES COMMITTEE

Rich Bader • Duncan Campbell • Steve Corey • Kirby Dyess • Scott Gibson • Román Hernández • Lynn Loacker • Duane McDougall • Sue Miller • Linda Moore • Corrine Oishi • Eric Parsons • Sabrina Parsons • Hal Snow • Kay Toran • Mary Wilcox • Duncan Wyse

EXECUTIVE SUMMARY

A strong economy is vital to our state. To ensure a thriving Oregon now and in the future, The Oregon Community Foundation is deploying grants, loans and venture capital to support youth education and mentoring, scale Oregon's entrepreneurial ecosystem, and build the new natural resources economy.

In the wake of the 2008 economic crisis, OCF's board of directors began to look more closely at the role of philanthropy in Oregon's economy.

In the process, it became clear that tools such as loans and equity investments could not only complement grants, but would perhaps be even more effective in promoting economic vitality.

After much research and discussion, the board's Strategic Opportunities Committee identified strategies for building the economy that fit OCF's mission and resources. OCF supports organizations that:

- Mentor youth and give them hands-on career education and experience.
- Scale Oregon's entrepreneurial ecosystem by improving access to mentors and capital.
- Build Oregon's new natural resources economy to improve rural job creation and retention.
- Provide leadership in understanding and improving Oregon's capital landscape.

This report reviews the equity investments, grants and impact loans OCF has provided since the board made jobs and the economy a strategic priority and the Committee focused on economic vitality.

It also documents a remarkable number of successful — and, in many cases, groundbreaking — efforts to revitalize communities, to overcome inequities in access to capital, to help Oregonians with different views and backgrounds move forward together, and to give our children the skills, knowledge and self-confidence they need to build a healthy and happy future. In doing so, this report celebrates the spirit,

determination and versatility of our partners, our people and our state.

OREGON VENTURE CAPITAL FUNDS

Since 2008, OCF has invested **\$7.6 million** in Oregon-based seed, early-stage and growth funds. These investments have supported roughly **65 companies** in Oregon, which have collectively supported an estimated minimum of **995 jobs**.

ECONOMIC VITALITY GRANTS

The Committee has directed nearly **\$1.4 million** in grant funding to organizations that support career education and mentoring for youth, provide financial and educational resources for entrepreneurs, and create jobs in the new natural resources economy. This funding helped to create or retain an estimated minimum of **300 jobs**, many of them in rural communities. It also expanded business education and mentoring to rural counties and other underserved areas, and it restored tens of thousands of acres of forestlands and watersheds.

IMPACT LOANS

In 2013, OCF's board authorized \$3 million to make loans to established Oregon nonprofits that are able to measure and report community impact. Since then, OCF has directed **\$2.2 million** in economic vitality loans to organizations that are providing financial services and mentoring to underserved urban and rural entrepreneurs, supporting the sustainable management of our natural resources, and helping Oregonians to appreciate and strengthen the interconnections between rural and urban communities. OCF's impact loans are projected to create or retain **more than 570 jobs** across Oregon.

INTRODUCTION

Since its founding in 1973, OCF has worked to find collaborative, long-term solutions to serious problems at the state and local level. As a trusted nonpartisan convener, OCF builds bridges between the public, private and nonprofit sectors to address issues that no one sector can solve on its own.

In the wake of the 2008 economic crisis, OCF's board of directors began to look more closely at the role of philanthropy in Oregon's economy. By 2010, the board's Strategic Opportunities Committee was deep in discussion about the need to develop an educated workforce, improve statewide access to startup capital, and create rural jobs through the sustainable management of Oregon's natural resources.

In the process, it became clear that tools such as loans and equity investments could not only complement grants, but would perhaps be even more effective in promoting economic vitality. After much research and discussion, the Committee identified strategies for building Oregon's economy that fit OCF's mission and resources. OCF supports organizations that:

- Mentor youth and give them hands-on career education and experience.
- Scale Oregon's entrepreneurial ecosystem by improving access to mentors and capital.
- Build Oregon's new natural resources economy to improve rural job creation and retention.
- Provide leadership in understanding and improving Oregon's capital landscape.

These goals are linked, as noted in the board's value statement on natural resources: "OCF believes that vibrant communities, a healthy natural environment, and a strong economy go hand in hand. OCF supports collaborative efforts that reach agreement among a variety of stakeholders to improve all of these attributes, as they are essential to our quality of life."

This report reviews the equity investments, grants and impact loans OCF has provided since the board

made jobs and the economy a strategic priority and the Committee focused on economic vitality. It highlights the impact OCF has had through the Committee's work, so that this knowledge can inform future decisions. It is *not* intended as a full study of OCF's economic impact, as it does not include all the funds OCF uses to promote economic vitality. Rather, it shows how the Committee directed discretionary resources and a small portion of the endowment.

OREGON VENTURE CAPITAL FUNDS

In 2008, the board adopted a policy to invest 0.5 percent of OCF's endowment in Oregon-based venture capital funds. An initial investment was made in Pivotal Investment Partners I, LP. The board made no further investments until 2012, when staff reminded them about the 2008 policy and they jointly designed a process for investing in funds.

One of the first steps was to identify existing sources of capital for Oregon entrepreneurs. In partnership with Business Oregon, CTC | myCFO, Meyer Memorial Trust, the Oregon Growth Board, and the Office of the State Treasurer, OCF produced the *Oregon Capital Scan* in March 2012. This comprehensive analysis of the state's capital landscape showed deficient capital for early-stage investments across all sectors.

These findings catalyzed OCF's \$7.6 million investment in seed and early-stage funds. The Committee and board members were inspired by this opportunity to support local companies and angel investors. Their investments have helped to launch roughly 65 Oregon-based companies, which employ an estimated minimum of 995 Oregonians.

Updates of the *Oregon Capital Scan* in 2014 and 2016 showed that the number of business accelerators and

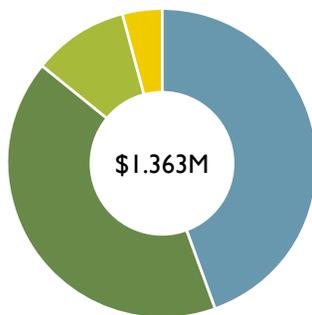
incubators has increased from 38 to 70 since 2014. This is a major advance for early-stage companies.

ECONOMIC VITALITY GRANTS

The Committee has primarily been interested in pursuing the following grant opportunities:

- **Youth entrepreneurship and mentoring.** Our youth need and deserve better education and support to compete in the emerging job market.
- **Scaling the entrepreneurial ecosystem.** Entrepreneurs around the state need equitable access to mentoring, education and capital.
- **Building the new natural resources economy.** Managing natural resources creates rural jobs.
- **Research and leadership.** Projects like the *Oregon Capital Scan* are essential to understanding and improving Oregon's entrepreneurial landscape.

The Committee has directed nearly \$1.4 million in grant funding to these areas.



- Scaling the entrepreneurial ecosystem (44%)
- Building the new natural resources economy (41%)
- Youth entrepreneurship and mentoring (10%)
- Oregon Capital Scan (4%)

In addition to producing three editions of the *Oregon Capital Scan*, this funding helped to create or retain an estimated minimum of 300 jobs, many of them in rural communities. It also expanded business education and mentoring programs to rural counties and other underserved areas, and it restored tens of thousands of acres of forestlands, rangelands and watersheds across our state.

In some cases, these goals were supported by the Community Grant program. A report on approved applications between 2010 and 2016 identified 65 community grants that were closely related to the Committee's priorities for economic vitality. These grants reached 19 counties and include five statewide projects. The total awarded was nearly \$1.4 million.

Economic vitality-related community grants fit under OCF's *Community Livability, Environment and Citizen Engagement* funding priority. Competitive proposals must focus on high-need geographic areas, build on current momentum or prior success, or promote local jobs rather than business recruitment. Therefore, the board does not see this program as OCF's primary tool to improve the state's economy.

IMPACT LOANS

OCF donors have been making low-interest loans from donor advised funds since 1998, but it wasn't until economic vitality was prioritized that the board became interested in providing formal loans.

In 2012, the Committee commissioned research to produce an *Impact Investing Guide*. In 2013, the board approved a \$3 million commitment to provide impact loans to benefit nonprofits and social ventures. In 2014, the impact investing pilot program was launched; this enabled staff to work with Patrick Maloney, principal at Occam Advisors, to develop policies for identifying opportunities and conducting due diligence. OCF also received technical aid from Meyer Memorial Trust, which had been operating a loan program for about a decade and welcomed OCF into this space. Thus far, OCF has deployed \$2.2 million in impact loans relating to economic vitality, which is expected to create more than 570 jobs.

In 2016, the Committee recommended that the board create a \$20 million Oregon Impact Fund as part of the endowment. This fund will provide a 1:1 match for every dollar invested by donors; the goal is to raise \$10 million from donors and match that amount from the endowment. Once launched, this fund will be a valuable source of low-interest debt financing for eligible nonprofits and social ventures that can't access traditional financing.

OREGON VENTURE CAPITAL FUNDS

Since 2008, OCF has invested more than \$7.6 million in venture capital funds with a strong commitment to supporting Oregon-based startups. To date, OCF's investments have helped to launch roughly 65 early-stage companies. Together, these companies sustain at least 995 jobs around the state.

ANGEL OREGON

A membership-driven nonprofit with a track record of more than 25 years, Oregon Entrepreneurs Network (OEN) connects entrepreneurs with a network of peers, mentors, funding opportunities and hands-on training. OEN's Angel Oregon funds are intended not just to support Oregon startups, but also to engage and educate new angel investors.

As the state's oldest angel conference, Angel Oregon has inspired the formation of several other successful regional angel investment funds, including Oregon Angel Fund, Bend Venture Conference, Willamette Angel Conference and the Roseburg Area Angel Investment Network.

Between 2013 and 2016, OCF invested \$90,000 in OEN funds. In total, these funds attracted 216 investors and raised \$1.5 million. Companies funded by Angel Oregon support more than 35 jobs in Oregon.

- The 2013 fund winner Brandlive is a live video platform that allows brands and retailers to interact with their audiences for training, marketing and commerce events. At the time of Angel Oregon's investment, Brandlive was earning \$287,000 in annual revenue; it plans to exceed \$5 million by late 2017 or early 2018. Brandlive currently employs roughly 20 people in Portland. Although the return date for the 2013 fund is currently unknown, Angel Oregon views a 4x return as a conservative estimate.
- The 2014 fund winner Nouvola (see below) offers cloud-based software performance testing. It is too early to forecast returns.
- The 2015 winner SpaceView is an augmented reality application that allows users to take pictures of real spaces and convert them to 3D



Nouvola, which builds cloud-based software performance testing tools, was co-founded by CEO Paola Moretto (left) and Paola Rossaro. In November 2016, it was selected by Jaguar Land Rover to participate in a six-month program to optimize software in internet-connected cars. Nouvola will receive funding, design support and office space at Jaguar Land Rover's incubator.

Nouvola received funding in 2014 from Angel Oregon, Bend Venture Conference and Southern Oregon Angel Investment Network. As of spring 2017, the company employs five people in the Portland area.

www.nouvola.com



The Bend-based biotech firm Amplion publishes BiomarkerBase, a database that includes all validated biomarkers in clinical use and more than 1,500 used in clinical trials. BiomarkerBase provides fast, intuitive access to this critical data, which reduces the cost and complexity of conducting clinical trials and related research.

Led by CEO John Zicker (left), Amplion received funding from Bend Venture Conference, Cascade Angels Fund and Portland Seed Fund II. Amplion currently employs five people in Bend and one in Junction City.

www.amplion.com

models. The company, which employs its four co-founders in Portland, will have an exit within the next six to 12 months. The return is expected to be minimal. The 2015 fund attracted 16 new angel investors who have since gone on to make further early-stage investments.

- The 2016 winner Collexion is a social network and curated visual search engine for collectors of all kinds. It is too early to predict returns.

BEND VENTURE CONFERENCE

Bend Venture Conference (BVC), which is hosted by Economic Development for Central Oregon (EDCO), is the Pacific Northwest's largest angel conference.

Between 2012 and 2016, OCF invested \$120,000 in BVC funds. In total, these funds attracted 148 investors and raised \$1.54 million. Companies funded by BVC employ roughly 40 Oregonians. They include the following innovative firms:

- Sonivate Medical is the creator of SonicEye, a fingertip-mounted ultrasound probe with simultaneous tactile feedback. Sonivate raised more than \$6 million in additional funding, mainly from the U.S. Department of Defense.
- RFPIO provides cloud-based request for proposal (RFP) software that automates and improves the

RFP response process. Based in Beaverton, RFPIO is an early-stage company with a successfully closed seed round.

- Amplion has created a database that gives clinical researchers control of the biomarker landscape (see above). It made strong progress in 2016, more than doubling its 2015 revenue.
- Perfect Company designs and manufactures connected kitchen products. Now in the growth stage, it is pursuing relationships with big-box retailers such as Best Buy.

A full list of investments appears in the appendix. Target internal rates of return (IRR) for BVC's investments are in the 20 percent range.

CASCADE ANGELS FUND

As a regional seed fund based in Central Oregon, Cascade Angels Fund fills an important funding gap identified in the *Oregon Capital Scan*. Cascade Angels' primary goals are to generate a return for investors and for the community in terms of economic diversity, jobs and impact.

In 2016, OCF invested \$150,000 in Cascade Angels Fund 2016, LLC, which raised \$1.25 million. The fund's diverse portfolio includes investments in consumer products, consumer tech and enterprise



GlobeSherpa, an innovative mobile ticketing platform for public transit, was co-founded by Michael Gray (left) and Nat Parker. In 2012, it received \$835,000 from Oregon Angel Fund. In 2013, GlobeSherpa's platform was piloted by Portland's TriMet system. Since then, the firm's ticketing technology has been adopted by transit agencies in 20 cities.

In 2015, GlobeSherpa was acquired by Daimler-owned RideScout. Now known as Moovel North America, it employs 110 people in Portland and plans to hire 100 more over the next few years.

www.moovel-transit.com

software. Cascade Angels' 2016 portfolio companies are Amplion, Cairn, Droplr, Hubb, Outdoor Project and ZeroTransform, all of which are currently active and growing.

Cascade Angels' collective portfolio (2014–16) includes investment of nearly \$2 million in 13 companies that employ more than 100 people and have generated more than \$11 million in revenue.

Cascade Angels has demonstrated strong annual growth, increasing by more than 40 percent in each fund year. OCF's 2016 investment was provided as a 20 percent match, helping this nascent fund in Central Oregon to maintain its robust growth and impact trajectory.

ELEVATE CAPITAL FUND

Elevate Capital is based in Portland and led by a team of seasoned entrepreneurs who have made a point of investing in diversity: Every funded company has a founder or CEO from an underserved community. The average workforce diversity for companies in Elevate's portfolio is almost 60 percent.

In 2016, OCF invested \$250,000 in Elevate Capital Fund. The fund had 28 investors and had raised \$5 million by December 2016. Its 12-month raise period ends in August 2017.

Elevate Capital has invested in Hubb, RFPIO, IT Aire, Cascade Prodrug and SCOUT Military, which collectively employ approximately 35 Oregonians. Elevate Capital's portfolio continues to meet or exceed growth expectations, and six-year exit goals for the fund are currently on target.

OREGON ANGEL FUND

Oregon Angel Fund (OAF) is a Portland-based venture fund backed by more than 200 entrepreneurs and tech leaders. It is committed to supporting founders from minority and disadvantaged backgrounds throughout Oregon and southwest Washington. Women and people of color have founded approximately 25 percent of OAF's portfolio companies. Together, the companies funded by OAF employ more than 2,500 Oregonians.

Between 2012 and 2016, OCF invested \$3.75 million in OAF annual funds. In aggregate, these funds attracted 270 investors and raised \$34.9 million. A list of OAF's Oregon-based investments appears in the appendix.

Nationally, OAF funds are performing in the top 1 percent of all venture capital funds. OAF attributes this to strong support from OCF, Meyer Memorial Trust and the state of Oregon, as well as to OAF's investor network.

- OAF 2012 could yield 1.5x to 10x, depending mainly on the success of Cascade Prodrug. Thus far, approximately 74 percent of capital has been returned.
- OAF 2013 is already up by 1.8x and is on track to generate 3x or more. Fueled by Opal, Brandlive and Green Zebra (see below), OAF 2013 could generate returns of 5x to 10x by 2023.
- OAF 2014 is expected to generate 3x or more, with seven of eight investments performing “well” to “great.” Opal is a top performer, serving more than 50 of the top global brands. Inpria, a Corvallis-based pioneer in semiconductor lithography, is also very promising.
- OAF 2015 is too recent to project returns. Top-performing companies include Perfect Company, Customer.io and Lumen Learning (see page 8). The target return is 3x or more.
- OAF 2016 is too recent to project returns, but all companies are doing “well” or “great.” PolySync, which has designed an operating system for self-driving cars, is a top performer.

OAF entrepreneurs and investors are increasingly establishing OCF accounts, resulting in a triple win: potential for superior returns, local job creation, and

new donor advised funds and estate plans at OCF. As an example, Sam Blackman, CEO of Elemental Technologies, launched the \$300,000 Elemental Community Investment Fund at OCF following the 2015 sale of his company to Amazon Web Services.

PIVOTAL INVESTMENT PARTNERS I

Pivotal Investments is based in Portland and focuses on supporting the emerging sustainable economy. In 2008, OCF invested \$2.5 million in a Pivotal fund that had 20 investors and raised \$17 million.

Home Comfort Zones closed in 2012 and has been written off. Soil Technology, Inc. exited through the sale of assets in 2013, returning \$556,000.

Portland-based Pacific Light Technologies is the only company producing on-chip quantum-dot lighting solutions. The company currently employs 12 people in Portland. A soft launch of its first quantum-dot product is expected in Q1 of 2017.

Though not based in Oregon, EnergySavvy and Enlighted have significant local connections. Seattle-based EnergySavvy has developed considerable business in Oregon. It finished Q3 ahead of its plan both in revenue and bookings and now serves nearly 40 regional utilities. California-based Enlighted piloted its lighting sensor networks with Nike, Intel



Launched by former New Seasons CEO Lisa Sedlar (left), Green Zebra Grocery offers urban “food deserts” a healthy alternative to traditional convenience stores like Plaid Pantry and 7-Eleven.

Green Zebra received \$885,000 in early-stage funding from Oregon Angel Fund. It currently employs 100 people in the Portland area. The company hires within the neighborhoods it serves and plans to open four to six new stores per year.

www.greenzebragrocery.com

and Portland State University. It is currently in the growth stage.

Pivotal is not in a position to forecast returns at this time, as its portfolio is highly concentrated and exit values are not yet established.

PORTLAND SEED FUND II

The Portland Development Commission established Portland Seed Fund in 2011 to spark interest in Portland startups. In 2014, OCF invested \$250,000 in Portland Seed Fund II (PSF II). As of December 2016, \$200,000 has been called. The fund had 62 investors and raised \$7.7 million.

In aggregate, 49 percent of PSF II's investments have a woman or person of color as a founder. Twelve of the companies have female CEOs. The companies funded by PSF II employ roughly 325 people in Oregon. At a minimum, job creation is expected to continue at double-digit percentages for each of the next two years.

PSF II's 41 companies (including companies outside Oregon) collectively raised more than \$97 million

in additional capital, with a median raise of \$1.13 million and an average raise of \$2.28 million. The majority of them are meeting development and sales milestones. Only two portfolio companies have become inactive.

Ten follow-on priced rounds have elevated market values, with more expected as the fund matures.

Promising companies include Brandlive, Lumen Learning (see below), Amplion, Poached Jobs, Droplr and NemaMetrix. A full list of PSF II's Oregon-based investments appears in the appendix.

ROSEBURG AREA ANGEL INVESTOR NETWORK

Launched in 2013, Roseburg Area Angel Investor Network (RAAIN) consists of private investors with a strong focus on funding and mentoring early-stage ventures in Douglas County and the Umpqua Valley.

In 2015, OCF invested \$25,000 in RAAIN's annual fund. This amount was matched by the Meyer Memorial Trust Fund of The Oregon Community Foundation, resulting in a total investment of \$50,000. Overall, RAAIN's fund had 22 investors



Over the last ten years, the average price of college textbooks has increased by 73 percent. This strains the budgets of students and their families, and it also presents a major barrier to access for low-income students. Lumen Learning is a platform supporting digital course materials that replace expensive textbooks at colleges and universities, saving students millions every term.

Co-founded by CEO Kim Thanos (right) and David Wiley, and supported by the Bill & Melinda Gates Foundation, Lumen has quickly grown to serve 100,000 students per semester at more than 100 college campuses nationwide.

Lumen received early-stage funding from Portland Seed Fund II and Oregon Angel Fund. Currently, it employs 23 people in Portland.

www.lumenlearning.com

and raised \$215,000. RAAIN invested in HoneyComb, which provides drone-based aerial imaging solutions for agriculture and forestry. Based in Wilsonville, HoneyComb manufactures its own drones and is working on modeling and prediction services. The firm has nine employees and three contractors. It is too early to predict returns.

RAAIN reports that its local investors are working with regional economic development organizations to encourage companies from rural Douglas and Coos counties to apply. They have also created a separate investment pool to fund local companies throughout the year.

SOUTHERN OREGON ANGEL INVESTORS FUND

Based in Medford, Southern Oregon Angel Investment Network (SOAIN) was organized to increase the amount of nontraditional seed capital and angel funds available to startups and existing companies in Southern Oregon. Between 2012 and 2014, OCF invested \$60,000 in SOAIN funds. In total, these funds raised \$770,000.

SOAIN's 2012 and 2013 funds dissolved in late 2016 after the failure of Ashland-based Montrue Technologies and Bend-based Jettstream. Both of these medical product companies failed due to product development and beta testing issues.

In 2014, the conference winner was the Portland-based software performance testing firm Nouvola (see page 4), which also raised seed capital from several other Oregon angel investment networks.

SOAIN is no longer running an annual conference, because investors expressed concern that the winner-take-all approach was leaving viable runner-up companies uncanceled. Also, companies based in Southern Oregon were finding it difficult to compete with Portland-area companies. In late 2014, investors switched their focus to local companies exclusively. Venture catalyst Tim Root was hired to cultivate regional companies seeking angel capital, leading in 2016 to investments of \$685,000 in Ashland-based MaskIT and \$80,000 in Medford-based Alpaca Guitar.

SOAIN also holds an investor dinner every other month. Investor dinners in November, January and March 2017 may lead to the formation of LLCs to make collective investments in Grants Pass-based APIS (\$500,000) and Talent-based TonTon's Artisan Affections (\$150,000).

VOYAGER CAPITAL FUND IV

Headquartered in Seattle, and with an office in Portland, Voyager Capital invests in information technology companies in capital-efficient West Coast markets. Approximately 75 percent of its investments are in the Pacific Northwest.

In 2013, OCF invested \$250,000 in Voyager Capital Fund IV (VCF IV). As of December 2016, 74 percent of OCF's commitment has been called. The fund had 20 investors and raised \$49.2 million.

By September 30, 2016, the fund had made 12 core investments and five seed investments. Eight of the core investments are in the Pacific Northwest, with three based in Oregon: Skyward, Lytics and SheerID. Skyward was acquired by Verizon in January 2017.

Companies funded by VCF IV currently employ roughly 80 Oregonians. The fund is likely to make two to four additional core investments over the next 12 to 18 months.

WILLAMETTE ANGEL CONFERENCE

Founded in 2009 as a joint venture of the Regional Accelerator and Innovation Network (RAIN) and the Corvallis and Eugene chambers of commerce, Willamette Angel Conference (WAC) advances entrepreneurial development in the Willamette Valley and across the state.

Between 2013 and 2016, OCF invested \$115,000 in WAC annual funds. These funds attracted 201 investors and raised \$1.6 million. Although it is too early to predict returns, eight of the nine companies are still operating today, employing roughly 45 people.

- 2013 conference winner Sonivate Medical has received a multimillion-dollar U.S. military



Agility Robotics is the creator of Cassie (above), a bipedal robot intended for remote sensing, military applications, search and rescue, and automated delivery services.

In 2016, the Albany-based company received an early-stage investment of \$100,000 from Willamette Angel Conference (WAC).

Agility Robotics' pioneering technology is based on intellectual property developed by Oregon State University (OSU) researchers. Agility's CEO was initially advised by WAC's fund manager. He later joined the Oregon Regional Accelerator and Innovation Network's Corvallis Accelerator at OSU, where he was further mentored by OSU's chief startup officer and a team of advisors.

With an upgraded business plan, Agility applied to WAC, which encouraged the startup to refine its market development strategy. This led to a winning proposal based on realistic short- and long-term customer acquisition strategies.

www.agilityrobotics.com

contract for its finger-mounted ultrasonic medical probe (see page 5). It has created five jobs in Portland.

- 2014 winner Dune Sciences is selling its deFUNKit product line through 700 specialty sports stores and Amazon. It is now ramping up production, marketing and sales to large chains such as Cabela's, Road Runner Sports, and Sam's Club. Dune Sciences employs six people in Eugene.
- The 2015 winner Moonshadow Mobile is a platform allowing high-speed visualization of big datasets in online geospatial environments. Applications include mapping for political campaigns, government and business. Also, Moonshadow Mobile's technology has attracted considerable interest from transit organizations, including TriMet. The company raised a \$600,000 follow-on investment to fund go-to-market efforts. It now employs 10 people in the Eugene area. OCF's investment of \$25,000 was matched by the Meyer Memorial Trust Fund of The Oregon Community Foundation.
- The 2016 WAC conference had two winners. Agility Robotics developed its innovative bipedal robot technology at Oregon State University. In addition to the \$100,000 invested by WAC, Agility has raised approximately \$750,000 in other capital. The company now has six employees, operates out of a leased space in downtown Albany, and is on track to surpass its first-year revenue targets. Corvallis-based Levrum (formerly Code3Simulator) provides software that saves lives and property by helping fire departments plan optimal siting for emergency resources. In addition to the \$300,000 invested by WAC, Levrum raised \$100,000 of other capital. This allowed the company to hire an experienced CEO, improve marketing and sales, and sign up new customers. Levrum has six employees.

WAC is raising two similar funds in 2017, including the new W2 Fund, which will evaluate prospective investments throughout the entire year.

Also in 2017, all WAC funds will implement the "triple green light" best practice: Investment decisions will require recommendations from the due diligence team, the fund manager and a majority of members. Staff from Elevate Capital, TiE Oregon, Business Oregon and other organizations will join WAC in due diligence.

OCF'S OREGON-BASED VENTURE CAPITAL INVESTMENTS (AS OF JULY 2016)

FUND	YEAR	AMOUNT
Angel Oregon 2013	2013	20,000
Angel Oregon 2014	2014	20,000
Angel Oregon 2015	2015	25,000
Angel Oregon 2016	2016	25,000
Bend Venture Conference 2012	2012	25,000
Bend Venture Conference 2013	2013	20,000
Bend Venture Conference 2014	2014	25,000
Bend Venture Conference 2015*	2015	50,000
Bend Venture Conference 2016	2016	25,000
Cascade Angels Fund	2016	150,000
Elevate Capital Fund	2016	250,000
Oregon Angel Fund 2012	2012	1,000,000
Oregon Angel Fund 2013	2013	750,000
Oregon Angel Fund 2014	2014	750,000
Oregon Angel Fund 2015	2015	750,000
Oregon Angel Fund 2016	2016	500,000
Pivotal Investment Partners I	2008	2,500,000
Portland Seed Fund II	2014	250,000
Roseburg Area Angel Investors Network 2015*	2015	50,000
Southern Oregon Angel Conference 2012	2012	20,000
Southern Oregon Angel Conference 2013	2013	20,000
Southern Oregon Angel Conference 2014	2014	20,000
Voyager Capital Fund IV	2013	250,000
Willamette Angel Conference 2013	2013	20,000
Willamette Angel Conference 2014	2014	20,000
Willamette Angel Conference 2015*	2015	50,000
Willamette Angel Conference 2016	2016	25,000
TOTAL		\$7,610,000

*The Meyer Memorial Trust Fund of The Oregon Community Foundation matched OCF's investment of \$25,000.

ECONOMIC VITALITY GRANTS

The Strategic Opportunities Committee's economic vitality grantmaking has focused on three major priorities: fostering youth entrepreneurship and mentoring, scaling Oregon's entrepreneurial ecosystem, and building the new natural resources economy to improve rural communities and our environment.

YOUTH ENTREPRENEURSHIP AND MENTORING

TIE YOUNG ENTREPRENEURS

TiE Global was founded in 1992 by a group of successful entrepreneurs, executives and other professionals. With 61 chapters in 18 countries, it is the world's largest entrepreneurial organization.

TiE Young Entrepreneurs (TYE) is a TiE initiative that fosters student entrepreneurship. Experienced entrepreneurs and mentors teach high school students a project-based curriculum that includes a day-long Ideation Lab.

The program culminates in the creation of a product prototype and presentations by student teams. Although other regional programs promote science,

technology, math and engineering (STEM) skills, only TYE Oregon offers an invention-based entrepreneur curriculum with a focus on design thinking.

In 2015, OCF supported TYE Oregon with a \$30,000 grant. In 2016, OCF provided an additional \$15,000 to expand opportunities for underserved and underrepresented youth at Benson and Reynolds high schools. This enabled TYE Oregon to hire a full-time program manager to coordinate outreach, communications and logistics for these programs.

It also strengthened TYE Oregon's ability to seek funding from grantmakers — such as the Lemelson



Team Cleat Elite (center three students) are members of an in-class TYE program at Benson Polytechnic High School in Portland. They invented a new cleat technology that makes cleats more comfortable and versatile for multi-sport athletes.

The team presented their invention at TYE's 2016 state competition and have since gone on to compete in the global TYE competition.

oregon.tie.org/tye-oregon-youth

Foundation and the Rivermark Community Fund of The Oregon Community Foundation — and attracted a large number of volunteers with an interest in mentoring and coaching.

In the 2016–17 school year, TYE is being offered to 39 students in Benson Polytechnic High School’s algebra/tech course. The student population is approximately 28 percent African American, 25 percent White, 23 percent Asian/Pacific Islander, and 20 percent Latina/o, with 62 percent qualifying for free or reduced-price lunch.

When surveyed, 86 percent of these students felt enthusiastic about entrepreneurship, and 80 percent could see themselves working and succeeding in a STEM career.

TYE recently expanded to a business course at Reynolds High School with 30 students. Minority enrollment comprises 56 percent of the student body (majority Hispanic), which is well above the state average of 36 percent.

TYE also expanded to two Rosemary Anderson High School/Portland Opportunities Industrialization Center (POIC) campuses. POIC has an annual enrollment of 600 at-risk students who have been expelled from or dropped out of public high school, many of whom are homeless. Two more campuses are scheduled to offer TYE in fall 2017.

TYE Oregon’s newest partner, Pacific Northwest College of Art, gives students access to the school’s “maker space” to create prototypes. High schools and organizations in Independence, Beaverton and Tualatin are evaluating TYE for fall 2017.

Active companies from TYE Oregon’s programs include DroneON, an agricultural drone system; eMDream, an at-home heart disease test that uses a saliva sample; Cleat Elite (see page 12); and Helios, a platform that makes it easier for landlords and renters to install solar panels.

TYE Oregon’s highly successful curriculum has been endorsed by TiE Global as the standard curriculum for every TiE chapter.

YOUNG ENTREPRENEURS BUSINESS WEEK

Founded in 2006, Young Entrepreneurs Business Week (YEBW) is a statewide business and financial literacy program serving Oregon high school students from all socioeconomic backgrounds. It provides seven-day immersion classes led by entrepreneurs, executives and educators. These programs are held on college campuses during summer, in partnership with University of Portland, University of Oregon and Oregon State University.

Since its inception, YEBW has reached more than 1,800 students; it currently serves 400 to 500 students per year. Historically, about 40 percent of students have belonged to communities of color. Of these, 65 percent credit YEBW as their motivation for launching a business or entering a STEM field.

In 2016, OCF provided YEBW with \$20,000 to support tuition-free scholarships. All 16 scholarships went to low-income rural students, with a special focus on Eastern Oregon. Currently, 45 to 50 percent of YEBW students receive financial aid. Of these students, 35 percent typically go on to become the first high school or college graduate in their family. YEBW’s data show that when privilege and economic barriers are no longer a factor, sponsored students compete equally in business simulations and presentations.

- Ninety percent of YEBW students go on to pursue secondary education options, and 55 percent of these students come from low-income homes.
- About 43 percent of students live outside the Portland/Willamette Valley area, and 28 percent come from Southern, Central and Eastern Oregon.
- Roughly 95 percent of graduates are confident in their ability to excel in business or STEM careers, compared to 43 percent of students preprogram.

OCF’s grant also helped YEBW expand its reach from 22 to 25 Oregon counties in 2016. In order to serve all 36 counties by 2020, outreach in rural Oregon is a major priority. In 2017 and 2018, YEBW will target high school students in Eastern Oregon school districts, ideally through a planned partnership with Eastern Oregon University in La Grande.

TECHNOLOGY ENTREPRENEURSHIP PROGRAM

The Technology Entrepreneurship Program (TEP) at the University of Oregon's Lundquist Center for Entrepreneurship is a crossdisciplinary, multi-institutional program with three primary goals:

- Advancing scientific discoveries from academic research laboratories and from Oregon Signature Research Centers toward commercialization
- Educating the next generation of business leaders on technology development and venture launch
- Engaging the business community in mentoring youth and building venture capital infrastructure

Since its inception in 2002, TEP has served more than 220 students. Today, it is an integral part of the programming at Lundquist College of Business's Oregon MBA Innovation and Entrepreneurship concentration and University of Oregon (UO) School of Law's Business Law program.

Between 2014 and 2016, OCF provided \$75,000 to support these crucial program goals:

- **Increased student participation.** TEP has seen a net increase of seven student fellowships over 2013, rising from 18 to 25 students (10 law, 10 MBA, 5 PhD) while also maintaining high standards for student selectivity and learning.

In the 2015 session, increased interest yielded a larger pool of qualified students.

- **Partner engagement.** TEP works with Oregon Health & Science University (OHSU) and the Oregon Clinical and Translational Research Institute (OCTRI) to commercialize technologies developed by students and staff.
- **Technology support for student teams.** TEP builds on ideas from the National Science Foundation's I-Corps program. Using Lean Launch Lab software, students learn the global language of technology commercialization.

By engaging with its partners, TEP is now connecting MBA students with other programs that match their interests and goals. For example, a new summer program integrates existing courses with challenging internships at early-stage technology companies. Program staff and college faculty are building the infrastructure needed to coordinate these internships. Initial goals call for five to 10 interns during the 2017 summer term, expanding to 20 to 30 by 2018.

In addition, TEP students were among those chosen to assist the UO Foundation with investments in early-stage companies. Through these efforts, the UO Foundation has invested \$250,000 in four Oregon-based companies.



In 2016, two TEP students worked on a project with OHSU and OCTRI to assess the business feasibility of a novel bladder cancer treatment developed at OHSU. The data these students gathered can be used to advance this research through grant applications to the federal Small Business Innovation Research program.

To broaden the TEP students' experience, three Oregon MBA students also joined the team to develop the business concept and to create a plan to bring it to market. With permission from OHSU, this team is now taking the concept to the business plan competition circuit.

business.uoregon.edu



Maria Roman is a seamstress in Beaverton. Two years ago, she was running a struggling alterations business in a location with poor visibility and signage.

In addition to providing loan funds, Micro Enterprise Services of Oregon helped Maria to secure an online presence and trained her in accounting and inventory controls. It also helped her relocate to a larger, more attractive space.

Today, Maria's annual revenues have increased by 1,600 percent. She has a delivery vehicle and a full-time employee, and her credit score has jumped from 510 to 718. Inspired by Maria's success, her husband also started a business, which has tripled their personal income. They are saving for retirement for the first time. Maria's dream is to buy a duplex and have a garden.

mesopdx.org

SCALING THE ENTREPRENEURIAL ECOSYSTEM

ASCENT FUNDING

In 2012, the Strategic Opportunities Committee provided a \$50,000 grant to Ascent Funding (formerly Albina Opportunities Corporation), a Portland-based community development financial institution (CDFI), to support its loan program for women, minorities and other entrepreneurs who are unable to access traditional bank financing. The Committee was particularly impressed with Ascent Funding's Business Advisors program, which matches borrowers with qualified mentors.

In February 2013, the Committee approved an additional \$100,000 to capitalize Ascent Funding and position it to leverage loan funds from other organizations. Within 24 months of that grant, Ascent Funding had secured \$925,000 in lending capital. In 2016, it also received a \$300,000 loan through OCF's impact investing pilot program (see page 24).

MICRO ENTERPRISE SERVICES OF OREGON

Micro Enterprise Services of Oregon (MESO) is dedicated to helping underrepresented small-business owners become self-sufficient. Since its founding

in 2005, MESO's mission has been to "improve the economic opportunities of underserved and low-income individuals through entrepreneurship, education and empowerment for the benefit of families in the greater community."

Historically, MESO's loan default rate is below 1 percent. Through 2015, 85 percent of MESO clients have increased their revenues by at least 30 percent. Three years after graduating from MESO, 92 percent of small-business owners remain in business, compared to the U.S. average of 44 percent.

In 2015, OCF provided MESO with a \$30,000 matching grant to support the purchase of cloud-based accounting software for its growing loan portfolio, and also to accommodate requests from other agencies for MESO to administer their loan programs. MESO chose a cloud-based enterprise resource planning system called Acumatica. As of spring 2017, benefits have already been realized: Budgeting and timesheets are coordinated, reporting is more accurate, and automated backups have improved data security.

The system is not yet operational for lending, as Acumatica is still customizing it for MESO's needs. Additional accounting staff are being trained, and the system is expected to be functional by July 2017.

HISTORIC BAKER CITY CHARITABLE FUND LTD.

In 2015, this fund received \$40,000 to support the Value-Added Agricultural Network (VAAN, formerly the Neo-Grains Project). VAAN promotes agribusiness, agritourism and agriculture education in Baker, Union and Wallowa counties. It also connects craft breweries in northeastern Oregon with local malted barley and other regional products and services.

OCF funding allowed the hiring of a coordinator to focus on strengthening regional craft brewing infrastructure, which includes growing, storing and malting barley. The coordinator also promotes the regional understanding of market demand through local education and business development.

Since 2015, VAAN has expanded its connections to breweries in John Day and Corvallis, and the local maltster is now providing malt — produced using barley grown in northeastern Oregon — to at least 10 breweries around the state. A new distillery has opened in Baker City, and another is scheduled to open in La Grande in fall 2017. This will create additional market demand for local products and services.

Recognizing the need to focus on women farmers, who run more than 30 percent of the state's small farms, VAAN has also made contact with a local woman farmer who is interested in growing barley on small 20-acre plots. VAAN plans to continue exploring ways to network with local small farmers.

OREGON ENTREPRENEURS NETWORK

Oregon Entrepreneurs Network (OEN), which formed in 1991, is the state's largest entrepreneur assistance organization. Recognizing that Oregon startups often lack access to capital, education and strong mentoring — especially in rural areas — OEN launched the Rural Oregon Entrepreneurial and Capital Development Initiative in 2011. This initiative called for the creation of entrepreneurial “boot

camps” that would give regional entrepreneurs access to the mentoring, training and capital they need in order to generate growth, jobs and wealth.

In 2011, OCF provided a \$75,000 grant for OEN to launch boot camps in Central Oregon, Columbia Gorge and Southern Oregon. This eight- to 12-week program covered key elements of business plan development and matched entrepreneurs with mentors to guide them through the planning process. Graduates got a chance to pitch their product to prospective investors, funders and advisors.

A total of 15 companies graduated from the first round of boot camps, and three of them received more than \$400,000 of investment capital. In addition, 101 volunteer mentors, coaches and content experts were recruited and trained. The estimated value of these in-kind contributions was \$218,200.

Based on this success, OCF renewed its support with two additional \$50,000 grants, enabling a second and third round of boot camps in 2013 and 2015 as well as a new 2015 boot camp in Grants Pass.

In total, 53 companies graduated, 180 volunteers were recruited and trained, 21 of the graduating companies connected to nearly \$1.3 million in investment capital, and roughly 70 jobs were created.

CENTRAL OREGON

The first Central Oregon boot camp was held in Bend in spring 2012. It helped 11 companies to grow, creating 26 jobs and raising more than \$625,000. Subsequent rounds were held in 2013 and 2015. Together, these boot camps created 44 jobs and raised \$2.8 million from angel investors. Funding for the camps also led to the creation of FoundersPad, Central Oregon's first established startup accelerator.

COLUMBIA GORGE

Gorge OEN's first boot camp was held in 2012 at Columbia Gorge Discovery Center in The Dalles, with 35 participants from five startups. Gorge OEN was able to offer scholarships to some participants through a small grant from Meyer Memorial Trust.

The estimated job gain was eight employees, which a regional economist estimates has the same economic impact as 280 jobs in the Portland area. In subsequent camps held in Hood River, five more companies graduated, raising \$130,000 in investment capital and creating an additional 18 jobs.

SOUTHERN OREGON

The JeffersonU boot camps, which took place in 2012 and 2013 at Medford's Higher Education Center, supported the growth and development of five regional startups. One company each year participated in the angel conference, and both won the concept stage competition (\$5,000 cash, plus tuition at the Avista Center for Entrepreneurship at Rogue Community College).

In 2015, a boot camp was held in Grants Pass as a joint program with Avista and Rogue Community College. Six companies graduated and are now in various stages of the startup process. They are expected to create seven to eight jobs.

GROWTH CATALYST INITIATIVE

In 2016, the Strategic Opportunities Committee directed two years of funding at \$150,000 per year to OEN's Growth Catalyst Initiative. This funding has supported OEN and its partners as they develop

and expand coordinated education, mentoring and capital programs for high-impact, traded-sector businesses capable of creating jobs and wealth.

Like the boot camp project from which it evolved, this initiative has a regional focus: It targets Central Oregon, Southern Oregon and the Willamette Valley. To date, the initiative has:

- Hired three full-time growth catalyst managers to serve these regions
- Established regional tracking methods, including companies served, jobs created, company revenue and company fundraising (which includes debt, equity, grants, and founder contributions)
- Partnered with Economic Development for Central Oregon (EDCO), Regional Accelerator and Innovation Network (RAIN) and Southern Oregon Rural Economic Development Inc. (SOREDI) to broaden their collective reach and abilities

Measurable impacts in the initiative's three target regions appear on the following page. Other significant achievements include:

- The addition of a "Social Impact Track" at the Bend Venture Conference, which deployed \$400,000 to companies that have a social or



Photo: Summit Media Development

Ashland PubTalk is a free monthly event that brings local entrepreneurs and angel investors together for food, drinks and conversation. As a project of LAUNCH Ashland, it is part of the regional strategy for Southern Oregon entrepreneurship funded in part by OCF (see next page).

At each event, featured speakers such as Dagoba Chocolate Company founder Frederick Schilling (left) share their entrepreneurial success stories and discuss helpful resources available to the region's startups.

soredi.org

IMPACT OF THE GROWTH CATALYST INITIATIVE (FISCAL YEAR ENDING JUNE 2016)

	CENTRAL	SOUTHERN	WILLAMETTE	TOTAL
Companies served	93	61	117	271
Company fundraising	\$15.0M	\$2.1M	\$3.8M	\$20.8M
Company revenues	\$17.8M	\$900K	\$6.2M	\$25.0M
Jobs created	71	25	92	188

OCF's 2016 investment in the Growth Catalyst Initiative was \$150,000, and the total spent from all sources was \$305,000. The total economic impact was 188 jobs. Multiplied by the average pay in Oregon for 2015 (\$48,312), it totals \$9.1 million. In addition, \$20.8 million in capital was raised for a total impact of \$29.9 million. This represents a multiple of 98x. In other words, for every \$1,000 invested in the Growth Catalyst Initiative, returns were just under \$100,000 (Source: OEN).

environmental impact. This track will continue in future conferences and could not have been offered without OCF funding.

- New partnerships were formed with E::SPACE Labs and BendTECH (formerly Tech Alliance).
- SOREDI partnered with the City of Ashland, Southern Oregon University (SOU), and SOU's Small Business Development Center (SBDC) to create LAUNCH Southern Oregon, a program for regional entrepreneurs. The City of Ashland is contributing \$10,000, and all partners will provide in-kind support for this program.
- Additional funding was leveraged to support the initiative in the long term, including \$50,000 from The Ford Family Foundation, which allowed the hiring of a venture catalyst manager for Oregon's underserved mid-coast communities (Florence to Lincoln City).

OREGON TECHNOLOGY BUSINESS CENTER

Oregon Technology Business Center (OTBC) is a nonprofit business incubator based in Beaverton. It provides mentoring, office space, workshops and other services to Oregon entrepreneurs.

OTBC received \$25,600 in 2014 and \$27,500 in 2015 to design and deliver a Virtual Incubation Program (VIP) that uses videoconferencing to share the expertise of successful Portland-area entrepreneurs and

service providers with entrepreneurs in rural parts of the state. Because OTBC didn't have local contacts in rural areas, it partnered with statewide SBDCs to recruit local rural entrepreneurs. This partnership worked very well in both VIP sessions, recruiting entrepreneurs in Brookings, Bandon, Lakeview, Coos Bay, Astoria, Klamath Falls, Pendleton and Milton-Freewater.

The VIP program scheduled two video sessions each month from April to July; topics included social media marketing, human resources, pricing strategies, legal issues and sales. Between sessions, OTBC staff consulted with each rural entrepreneur by phone. Some sessions also included a roundtable discussion. OTBC drew on its deep connections with the Oregon Entrepreneurs Network to secure high-quality expert speakers. Along with the SBDC's partnership, this collaboration facilitated the program's success. The recruitment of expert speakers also increased volunteer involvement.

The program received very positive feedback from VIP entrepreneurs and the local SBDC staff. Based on this success, OTBC is now developing programs with a shorter delivery time (e.g., weekly instead of bimonthly sessions).

The VIP program also brought OTBC to the attention of more local and state organizations. Ideally, this will result in longer-term financial support, enabling OTBC to focus on improving its program instead of seeking funding every few months.



BUILDING THE NEW NATURAL RESOURCES ECONOMY

ECOTRUST

Founded in 1991, Ecotrust integrates economic and community development strategies with conservation and sustainability efforts. Through both its nonprofit research and policy work and its for-profit development projects, it is advancing its fundamental mission of “building a world where people and nature thrive together.”

In 2014, OCF provided a planning grant of \$25,000 to Ecotrust to identify necessary steps in creating a hub and incubator that would help public institutions and private-sector food service establishments access healthy local food from independent small- and medium-sized producers. This planning grant led to the development of Ecotrust’s 70-acre Redd campus in the heart of Portland’s Central Eastside district; OCF supported this innovative project with a low-interest \$500,000 loan (see page 26).

WALLOWA RESOURCES

In 1996, Wallowa County commissioners joined forces with local land and business owners to create Wallowa Resources, a nonprofit designed to attract new capital, restore forests, revitalize communities and create local jobs. Its aim is to maintain regional customs and culture while adapting to changing market conditions, laws and public values.

Today, Wallowa Resources develops large landscape restoration projects, provides technical support for landowners and small businesses, and fosters renewable energy investments.

Wallowa Resources has put more than \$21 million back into the economy since 1996 and supports more than 50 jobs per year. It promotes the stewardship of 1.8 million acres of forest and provides educational programs to 45 percent of Wallowa County’s children.

In 2014, OCF provided a three-year grant of \$100,000 per year, which has enabled Wallowa Resources to:

- Develop a pipeline of new projects to advance economic development in Eastern Oregon.
- Fill key needs in communications, development and renewable energy staffing.
- Invest in succession planning by hiring and mentoring staff who are prepared to lead.
- Expand time and resources to respond to new local and regional opportunities.
- Implement a new annual budget and reporting system to improve staff and overhead allocations.



Wallowa Resources is a key player in the 10-year Lower Joseph Creek restoration project, which affects 100,000 acres of Wallowa-Whitman National Forest.

Analysis by the U.S. Forest Service and University of Oregon has concluded that this project will generate more than 55 jobs and \$20 million in local revenues.

This project emerged from the success of the Upper Joseph Creek Project, which has:

- Opened 32 miles of instream habitat for all life stages of steelhead
- Removed 28 culverts for fish passage and natural channel flow
- Improved 12 miles of road to slow erosion and increase water infiltration
- Replaced three bridges on Peavine and O'Brien roads
- Rehabilitated 25 upland water sites
- Thinned or harvested 14,312 acres of forest
- Delivered more than \$5 million in local economic benefits

www.wallowaresources.org

FOREST CONSERVATION AND MANAGEMENT

Wallowa Resources manages the Wallowa-Whitman Forest Collaborative at the request of all three county governments. It has also formed partnerships to support forest management for 2,900 landowners in Baker, Union, Umatilla and Wallowa counties, and to assist Union and Wallowa counties in developing community wildfire protection plans.

BIOMASS UTILIZATION AND ENERGY PRODUCTION

Renewable biomass and micro-hydro projects retain energy dollars in Wallowa County while providing financial benefits to towns, farms and ranches. Wallowa Resources has:

- Partnered with Farmers Conservation Alliance and others to advance small-scale renewable energy projects across Oregon
- Contracted with Sustainable Northwest to conduct a feasibility study for a biomass processing center for the Klamath Tribes
- Worked with Bonneville Environmental Foundation and Energy Trust of Oregon to help Scappoose develop a hydro project

ECONOMIC IMPACT

In addition to contracting more than \$600,000 of work with local businesses, Wallowa Resources supports more than 50 jobs per year (nearly 2 percent of the non-farm workforce in Wallowa County, which is equivalent to 26,042 jobs in the Portland area).

LEVERAGED RESOURCES

The U.S. Forest Service (USFS) and the state of Oregon provided additional financing that supports OCF's grant objectives. Further, Wallowa Resources' private donor campaign has generated more than \$450,000 since 2014. Other leveraged funding includes:

- \$120,000 from Fire Adapted Communities Learning Network (FAC Net), USFS and regional organizations to restart and lead the Rural Voices for Conservation Coalition, which comprises community groups, county governments, small businesses and nonprofits in 10 Western states
- \$50,000 from Wallowa County to support projects on Joseph Creek (see sidebar)
- An \$18,000 capacity-building contract from Energy Trust of Oregon to support micro-hydro projects in Wallowa County

SUSTAINABLE NORTHWEST

Sustainable Northwest (SNW) is a conservation nonprofit working at the intersection of economy, environment and community. Since 1994, it has brought communities across the West together to find natural resource solutions that work for people and nature. Its core areas of work are forests and rangelands, water and energy.

Through a wide range of public and private partnerships, SNW promotes sustainable land management, develops green markets, advocates for federal and state policy, and supports rural jobs.

In 2014, SNW received three years of OCF funding at \$50,000 per year to provide technical assistance to groups working collaboratively on agreements to thin forests and protect Oregon's environment.

DRY FOREST ZONE INITIATIVE

SNW serves as the backbone organization for the Dry Forest Zone (DFZ) initiative, a 15-county project that promotes healthy forests and communities. The DFZ includes two major restoration projects in the Blue Mountains of northeastern Oregon:

- The Lower Joseph Creek restoration project (see sidebar on previous page)

- The Strategic Fuels Treatment project, which will reduce the risk of large wildfires in up to 200,000 acres of four national forests

An evaluation of the DFZ initiative commissioned by the U.S. Endowment for Forests and Communities found that SNW's work on restoration, stewardship and biomass utilization is generating tangible economic benefits in rural communities.

During the first five years of this initiative, SNW developed partnerships across Oregon to advance forest restoration and sustainable economic development. It has raised \$320,335 in matching funds to support this work. OCF's grant has also helped SNW to leverage funding from The Bella Vista Foundation, The Ford Family Foundation, and the Region 6 office of the USFS.

SUPPORT FOR FOREST COLLABORATIVES

SNW has provided direct assistance to five forest collaboratives that are currently restoring more than 5.9 million acres across four national forests in the Blue Mountains. In addition, SNW is one of three technical assistance providers that have been contracted by the Oregon Department of Forestry to foster forest collaboration around the state.



Wallowa Resources and Sustainable Northwest were leading partners in the development of the 70-acre Integrated Biomass Energy Campus (IBEC), which combines environmental benefit with economic development. Businesses at IBEC use byproducts of local forest management from Wallowa-Whitman National Forest and from private lands to manufacture premium firewood, landscaping timbers and other products.

IBEC has produced enough thermal energy to heat approximately 275 homes. It currently employs 28 people and is on track to utilize 100,000 green tons of woody biomass by 2017. It also supports the local economy by creating and retaining jobs in Wallowa County.

Currently, Oregon has 25 forest collaboratives — at least one for every national forest in the state. This fosters new opportunities for cooperation and speeds progress toward federal, state and county goals for restoring forests and revitalizing rural economies.

In partnership with the University of Oregon's Ecosystem Workforce Program, SNW has developed a system for monitoring the economic effects of collaborative forest restoration and bioenergy projects, which will help stakeholders understand how these investments benefit rural communities.

WESTERN JUNIPER ALLIANCE

Due to fire suppression and other land management practices, Western juniper has expanded from 1.5 million to 6.5 million acres in Oregon since 1930.

This invasive native plant encourages erosion, damages sensitive wildlife habitat, reduces species diversity, and depletes groundwater and soil moisture in high desert grasslands and watersheds (it can use up to 30 gallons of water a day).

In 2012, the Western Juniper Utilization Group formed to address this crisis. Sustainable Northwest was selected to coordinate this group, which was later renamed the Western Juniper Alliance (WJA). In 2013, SNW and WJA received a \$20,000 OCF grant to

increase market demand for the use of Western juniper. Because it is highly durable and pest-resistant, Western juniper is ideal for a variety of indoor and outdoor purposes, including organic planting beds, landscaping, furniture, cabinetry, flooring, fencing, decking and playgrounds.

WJA has worked closely with private businesses, conservation groups, loggers, ranchers, trade associations and government to promote the use of juniper lumber in Oregon, Washington and California:

- Between 2013 and 2015, the market for juniper lumber grew by about 25 percent per year. In 2016 alone, sales increased by 40 percent.
- In 2016, construction was completed on two new Western juniper mills, with more opening in 2017.
- Biomass energy products now in development may expand the market for non-millable juniper.

Roadside signposts and guardrail posts are a major potential use of Western juniper lumber. However, this use requires the wood to meet specified strength and engineering values. To advance this market, Sustainable Northwest is managing a certification project funded in part by the Oregon Department of Transportation and Business Oregon. Test results are expected in April 2017. This information will also



In late 2012, Malheur Lumber Company was preparing to close its sawmill in John Day—the last remaining sawmill in Grant County—due to a shortage of logs.

As part of the U.S. Forest Service's restoration effort, and with facilitation from Sustainable Northwest, a local contractor was granted a sustainable logging contract in Malheur National Forest, guaranteeing predictable work and a 10-year supply of logs.

As a result, the sawmill in John Day has not only stayed open, but has also added approximately 40 jobs. So far, 6,100 acres of federal forest have been restored and 87,000 tons of sawlogs and biomass removed.



Sustainable Northwest is currently expanding the market for Western juniper. Sustainable Northwest Wood, its subsidiary wood warehouse business, has filled an important gap by providing distribution and market outreach to the home improvement and building market, as well as to landscapers, organic wineries and home furnishing showrooms.

Western juniper utilization is also helping Oregon residents to appreciate their interconnectedness. As Kendall Derby (left) of In the Sticks Juniper Sawmill in Fossil explains: "There really is a gap between rural and urban in Oregon. A consumer/producer relationship bridges that gap. When I buy juniper logs, those rural loggers know I sell the lumber to urban customers. When an urban customer buys juniper lumber, they know the lumber came from rural Oregon. That 'handshake' benefits rural and urban Oregonians."

www.sustainablenorthwest.org

allow engineers and architects to consider the structural use of juniper beams and columns.

WJA has raised \$2 million for supply chain coordination, research and development, and promotion. To date, more than \$1 million has been invested in business development and rural job creation.

In 2014, WJA's primary focus was to increase market demand for Western juniper lumber. Today, the larger challenge is to meet that demand.

In 2016, OCF provided SNW with an additional \$50,000 grant to improve the Western juniper supply chain. SNW has since hired a part-time forester to ensure a steady flow of logs from landowners to mills. This will support regional manufacturing jobs while also boosting the confidence of Western juniper product distributors.

BIOMASS UTILIZATION AND ENERGY PRODUCTION

SNW identifies promising energy projects and provides consulting and project development services to increase access to funding, loans, grants and incentives for biomass utilization. Goals include:

- Developing local markets for woody biomass utilization and energy production
- Building infrastructure and businesses around forest restoration byproducts

- Replicating the Integrated Biomass Energy Campus model (see page 21) in Eastern Oregon communities, including North Powder, Burns, John Day, and the Klamath Tribes
- Developing five new wood-to-energy facilities

SNW has also worked with the Klamath Tribes to explore biomass and renewable energy options:

- SNW helped the Tribes to secure a \$114,000 grant from the Bureau of Indian Affairs to complete a market assessment of timber and woody biomass resources for manufacturing and for renewable energy generation. This partnership between SNW, Wallowa Resources and the Klamath Tribes could create 15 to 30 direct Tribal jobs, generating \$1 million to \$2 million in annual payroll. Twenty to 50 additional local jobs could be created with adequate Tribal staffing, financing and training.
- SNW helped the Tribes to secure an additional \$168,500 grant from the Bureau of Indian Affairs to conduct pre-development studies for a 500-kilowatt community-scaled solar project and a 2- to 5-megawatt utility-scaled project. If constructed, these solar installations have the potential to generate two to four direct Tribal jobs and as many as 25 local jobs. In addition, Tribal staff will have an opportunity to provide environmental, geotechnical, cultural and archeological services for these studies.

IMPACT LOANS

In 2013, OCF's board authorized \$3 million to make loans to established Oregon nonprofits that are able to measure and report community impact. To date, OCF has directed \$2.2 million in economic vitality loans to organizations that are projected to create or retain more than 570 jobs across our state.

ASCENT FUNDING

Established in 2008 as Albina Opportunities Corporation, Ascent Funding is a nonprofit lender that facilitates business opportunities and creates jobs and wealth for Portland's underserved communities by offering lines of credit, term loans and credit enhancements to small businesses that lack access to traditional financial services.

Ascent Funding has made more than \$6 million in loans and lines of credit, focusing on minority-owned and woman-owned businesses in low-income neighborhoods. The organization only offers loans or credit to businesses that have been turned down

for conventional bank credit. Originally focused on serving Northeast Portland's historically African American Albina district, it recently changed its name to reflect its expanded mission of helping disadvantaged business owners throughout the Portland area.

In 2013, OCF made a \$300,000 loan to Ascent Funding as part of its impact investment pilot project. Over the life of the loan, these funds are expected to create 69 jobs while also supporting Ascent Funding's strategic plan to expand its community impact and achieve long-term sustainability.



In 2012, Tyrone Bailey launched his own hauling business. Bailey's Construction Unlimited soon became a prime subcontractor for local projects. Because these contracts often take 30 days or more to pay, he ran into cash flow difficulties.

When Tyrone found out that he wouldn't be able to get affordable financing through a bank, he approached Ascent Funding. With their help, he secured a \$50,000 loan for a newer, larger, more reliable truck, which will allow him to do more and bigger projects. He also got a line of credit, which gives him enough working capital to cover his fuel and labor costs while awaiting payment.

Ascent Funding is now working with Tyrone to improve his company's financial management skills and credit history so that it can eventually get traditional bank financing. Currently, Bailey's Construction Unlimited employs three people in the Portland area.

ascent-funding.org



Despite offloading about 1.5 million pounds of shrimp per month, BC Fisheries was unable to process them locally. This meant that the financial rewards were leaving town instead of providing local jobs and other opportunities. Shipping the shrimp to far-off processors was also leading to high transportation costs.

Craft3's \$6.3 million loan allowed BC Fisheries to build an insulated processing facility at the Port of Brookings Harbor. The new facility will be able to process up to 2.4 million pounds of shrimp per month.

www.craft3.org

CRAFT3

Craft3 is a nationally recognized community development financial institution (CDFI) with seven offices across Oregon and Washington, including Astoria, Bend and Portland. Its mission is to strengthen economic, ecological and family resilience in Pacific Northwest communities by providing loans and assistance to underserved entrepreneurs, nonprofits and individuals who would otherwise lack access to financial services.

In March 2014, OCF made a \$1 million loan to Craft3 to expand capital access for non-urban small businesses and entrepreneurs. All investment proceeds have been deployed, and repaid principal is now being revolved to fund new loans.

To date, \$1,883,000 has been allocated to eight businesses. Here are several examples of loans partially supported by OCF investment proceeds:

- Ohio-based Fry Foods received financing for the purchase of an onion processing facility in Ontario as a replacement for its much smaller plant in nearby Weiser, Idaho. Ontario's current population is 41 percent Latina/o, and nearly 27 percent of the population lives below the poverty line. This loan will bring 180 existing jobs to the community while also creating 124 new full-time jobs for low-income local residents.
- Williams Hudson Bay Farm in Milton-Freewater was provided with working capital as well as a restructuring of the major debt it took on while converting to organic farming at the request of its dairy clients. Craft3's loan supported the retention of 4.5 jobs and the creation of 5.5 jobs. It also preserved 3,000 acres of certified organic farmland and supported \$8.4 million in locally owned assets. Williams Hudson is now one of the largest organic farms in the Pacific Northwest.
- BC Fisheries is a family-owned seafood processor in Brookings (see above). In 2013, its owners realized growth was necessary for the business and the local economy. Craft3's \$6.3 million loan allowed them to buy equipment, build an insulated processing facility near the offloading docks, and maintain adequate working capital. Outcomes supported include 30 jobs created, \$6.3 million in value-added processing, 6,500 metric tons of greenhouse gases averted, and \$2.6 million in third-party investment leveraged.
- NBSD, LLC and the James O. Hanthorn Cannery Building (Pier 39) in Astoria received financing for structural improvements and the purchase of a nearby vacant lot for future development. Formerly the site of the historic Bumble Bee Cannery, Pier 39 is Astoria's largest waterfront



Pier 39, Astoria

building and houses offices, restaurants and other amenities. This loan to a minority- and veteran-owned business in a high-poverty census tract will retain one job while preserving a historic structure and local asset.

- Northwest Beneficials is a Bend-based firm that produces, packages and distributes natural pest control products to nurseries and other retail markets. After struggling to secure traditional financing, it received a working capital loan from Craft3 to build its customer base and support its projected revenue growth. Outcomes supported include financing a woman-owned business, minimizing environmental impacts, the creation of four jobs and the retention of four jobs.
- Jem Organic Nut Butters produces specialty nut butters and sweet spreads. This Bend-based company emphasizes ecological awareness and uses premium 100 percent organic ingredients that are gluten- and GMO-free. These products are manufactured in Bend and sold through specialty retailers and grocery stores. Craft3's loan refinanced existing debt and provided working capital. Outcomes supported include investment in a low-income business and value-added processor/ manufacturer, the creation of three jobs and the retention of five jobs.

ECOTRUST FOREST MANAGEMENT

As a Forest Stewardship Council-certified forestland investment manager, Ecotrust Forest Management (EFM) sustainably manages 30,000 acres of forestland in Oregon and Washington. Founded in 2004, EFM helps communities in which it owns timber properties to develop or expand businesses based on non-timber forest products, such as harvesting specialty foods or developing alternative uses for low-value wood. These businesses have the potential to create new jobs in rural Oregon while also benefiting ecosystems and using private capital to manage timber properties sustainably.

In 2014, OCF made a \$300,000 loan to EFM to support this work. The interest rate is 2.00 percent with an eight-year term. EFM has committed to hold property assessed at twice the value of any outstanding debt until the principal is repaid.

Although impact targets have not yet been set, this investment will be assessed based on rural job creation and on the project's contribution to EFM's sustainable management practices.

ECOTRUST REDD PROJECT

A 2015 study found that food service infrastructure is not easily accessible to Oregon's "ag of the middle" producers: those who are larger than family farms that sell at farmers markets, but smaller than farms served by industrial infrastructure. As a result, these producers find it hard to grow and add jobs, and institutional buyers lack access to healthy local foods.

Ecotrust's Redd project aims to break down these barriers by providing warehouse space, logistics and production facilities to medium-sized producers and their institutional customers. Named after the gravel nest where salmon lay their eggs, the Redd is a planned two-block, 80,000-square-foot food production and distribution campus comprising two former industrial buildings on Salmon Street in Portland's Central Eastside district.

With a low-interest \$500,000 loan from OCF and debt financing from other foundations, Ecotrust has completed phase one of this project. Redd West,

also known as the Marble Building, includes offices, a 200-pallet cold storage facility, more than 20,000 square feet of warehouse space, and three commercial kitchens. B-Line Urban Delivery, the building's anchor tenant, manages dry and cold storage as well as office and conference space for small food businesses. Through B-Line, Redd West accommodates many regional farm products and supports the operations of 12 small food companies. B-Line also handles cycle-based restaurant and store delivery, saving farmers time, energy and gas. Other tenants include:

- FoodCorps, a national nonprofit that places recent college graduates in elementary schools to support food curricula and school gardens.
- SoupCycle, which makes organic soups, bowls and salads for offices and households, and delivers them by bicycle within the urban core.
- New Foods Market, an online grocery focused on plant-based diets. It provides many small businesses with a direct sales channel and is also developing nondairy milks, yogurts and cheeses.
- Wilder Land & Sea, which works with ranchers and small-boat fishers to deliver premium

proteins. It also works with Ecotrust's food and fish program manager to help Community Fisheries Network members reach urban markets.

These businesses are complementary. For example, SoupCycle is now using Wilder Land & Sea's salmon in their soups, which B-Line then delivers throughout the area.

In addition to these core tenants, the Redd handles products from more than 50 regional producers, many of whom have purchased warehouse or cold storage space, or are subleasing kitchen space from SoupCycle or New Foods Market. These innovative collaborations are building a robust and resilient regional food economy in which urban food producers are intimately linked with the rural farmers, ranchers and fishers who supply them.

Redd East, the second phase of the project, will be housed in the nearby Foundry building — a former ironworks dating to 1918 — and will include a fully landscaped outdoor space as well as a community kitchen, a food cart pod, a digital community center, and retail and office space for food-based businesses. Construction of the Redd East campus is expected to be complete in spring 2018.



In March, the Redd partners with the Portland-Area CSA Coalition to host the CSA Share Fair, which connects urban residents with farmers pursuing the community supported agriculture business model. Participating farmers offer everything from fresh fruits and vegetables to specialties like salsa ingredients, honey and medicinal plants.

For local residents, the fair is a chance to meet and talk with CSA farmers, sample healthy foods and drinks, swap cookbooks, and attend chef demos. In addition, a farmer matchmaking service helps residents find the CSA farmer that's right for them.

ecotrust.org



CONCLUSION

This report documents the wide-ranging impact of the Strategic Opportunities Committee's focus on promoting economic vitality in Oregon. It details how the Committee has directed discretionary resources and endowment funds, highlighting concrete results as well as ongoing efforts by OCF, its partners, and the people of Oregon to improve our state's economy.

Beyond that, this report documents a remarkable number of successful — and, in many cases, groundbreaking — efforts to revitalize communities, to overcome inequities in access to capital, to help people with different views and backgrounds move forward together, and to give our children the skills, knowledge and self-confidence they need to build a healthy and happy future. In doing so, this report celebrates the spirit, determination and versatility of our partners, our people and our state.

OCF's investments in venture capital funds have supported Oregon-based companies that are driving innovation in medicine, agriculture, information technology, robotics, renewable energy and many other fields. These companies are solidifying Oregon's growing reputation as a visionary global business leader.

OCF's economic vitality grants support Oregon's entrepreneurs by increasing access to capital, mentoring and education across the state. They create and retain jobs in rural Oregon by improving the health of our forests, rangelands and watersheds. And they give our youth the skills they need to compete and win in the 21st century.

OCF's impact loans are transforming traditional companies, launching pioneering new businesses, supporting the sustainable management of our peerless natural resources, and helping Oregonians to appreciate and strengthen the interconnections between our rural and urban communities.

Together with our donors and partners, OCF is leading the way toward a robust and resilient economy that will safeguard Oregon's cherished history while responding to its evolving economic, social and environmental needs.

APPENDIX A: OCF IN THE MEDIA

2011

“OEN Receives \$75K to Launch Accelerator Boot Camps.” Gretchen Holzgang, *Portland Business Journal*. October 14, 2011. www.bizjournals.com/portland/news/2011/10/14/oen-received-75k-to-launch-accelerator.html

2012

“Oregon Investment Act: Responding to Business Needs Across Oregon.” Ted Wheeler et al., *The Oregonian*. January 31, 2012. www.oregonlive.com/opinion/index.ssf/2012/01/oregon_investment_act_respondi.html

“OCF Invests \$1M in Oregon Angel Fund.” Wendy Culverwell, *Portland Business Journal*. March 15, 2012. www.bizjournals.com/portland/news/2012/03/15/ocf-invests-1m-in-oregon-angel-fund.html

“Angel Investment Prize Grows to \$155,000.” Greg Stiles, *Ashland Daily Tidings*. April 2, 2012. www.dailytidings.com/article/20120402/NEWS/204020309

2013

“Oregon Angel Fund Lands Another \$2.25 Million.” Matthew Kish, *Portland Business Journal*. February 6, 2013. www.bizjournals.com/portland/news/2013/02/06/oregon-angel-fund-lands-2-million.html

“Angel Conference Gets \$25,000 Investment.” Ilene Aleshire, *The Register-Guard*. April 20, 2013. registerguard.com/rg/news/local/29752528-75/conference-angel-foundation-stage-community.html.csp

“Foundation Invests in Bend Venture Conference.” KTVZ.com. October 11, 2013. www.ktvz.com/news/business/foundation-invests-in-bend-venture-conference/68313471

2014

“Improved Investing Landscape Could Attract More VCs, Equity Firms to Oregon.” Malia Spencer, *Portland Business Journal*. September 23, 2014. www.bizjournals.com/portland/morning_call/2014/09/improved-investing-landscape-could-attract-more.html

“Oregon Capital Scan Is a Vital Resource for a Growing Economy.” *Cascade Business News*. September 25, 2014. cascadebusnews.com/oregon-capital-scan-vital-resource-growing-economy/

2015

“With \$1.3M, Portland Group Looks to Back ‘Underserved’ Businesses.” Andy Giegerich, *Portland Business Journal*. June 24, 2015. www.bizjournals.com/portland/morning_call/2015/06/with-1-3m-portland-group-looks-to-back-underserved.html

“Wage Gaps on the Rise as Counties Face Jobs Issues.” Andy Giegerich, *Portland Business Journal*. July 15, 2015. www.bizjournals.com/portland/morning_call/2015/07/oregons-wage-gaps-on-the-rise-as-counties-face.html

2016

“Scanning the Access to Capital Across the Pacific Northwest.” Malia Spencer, *Portland Business Journal*. March 18, 2016. www.bizjournals.com/portland/print-edition/2016/03/18/malia-spencer-scanning-the-access-to-capital.html

“Oregon RAIN, OEN Land Funds from Top State Foundation.” Malia Spencer, *Portland Business Journal*. March 24, 2016. www.bizjournals.com/portland/blog/techflash/2016/03/oregon-rain-oen-land-funds-from-top-state.html

“Elemental Technologies Establishes \$300,000 ‘Community Investment Fund.’” Mike Rogoway, *The Oregonian*. April 28, 2016. www.oregonlive.com/silicon-forest/index.ssf/2016/04/elemental_technologies_establi.html

“The Oregon Community Foundation: Leveraging Assets for Economic, Environmental and Equity Aims.” Caitlin Duffy, *National Committee for Responsive Philanthropy*. August 3, 2016. www.ncrp.org/2016/08/oregon-community-foundation-leveraging-assets-economic-environmental-equity-aims.html

2017

“Lack of Funds, Investor Support Threaten Entrepreneurs.” Malia Spencer, *Portland Business Journal*. February 1, 2017. www.bizjournals.com/portland/news/2017/02/01/oregon-researchers-warn-that-lack-of-funds.html

“Oregon Community Foundation Re-ups Entrepreneurial Investment.” Malia Spencer, *Portland Business Journal*. February 15, 2017. www.bizjournals.com/portland/news/2017/02/15/oregon-community-foundation-re-ups-entrepreneurial.html

APPENDIX B: VENTURE CAPITAL FUND DATA

These charts contain self-reported data from venture capital funds in which OCF invested. Estimated job numbers reflect different reporting periods and methods, and may not be accurate at the time of printing. Also, the numbers should not be counted cumulatively due to frequent overlaps in funding.

ANGEL OREGON

YEAR	COMPANY	DESCRIPTION	INVESTMENT	LOCATION
2013	Brandlive	Interactive online video events	\$305K	Portland
2014	Nouvola	Software performance testing platform	\$257K	Portland
2015	SpaceView	3D augmented reality application	\$175K	Portland
2016	Collexion	Networking and search site for collectors	\$287K	Portland

Between 2013 and 2016, OCF invested \$90,000 in OEN funds. The companies above employ roughly 35 people in the Portland area.

- **2013.** OCF invested \$20,000. Brandlive is expected to exceed \$5 million in annual revenue by early 2018. An exit date is not known at this time. A 4x return is seen as a conservative estimate.
- **2014.** OCF invested \$20,000. The fund's investment was allocated primarily to developing Nouvola's technology and positioning the company to go to market. It is too early to predict returns.
- **2015.** OCF invested \$25,000. A liquidation of SpaceView is expected at some point in 2017. A complete return on capital is doubtful.
- **2016.** OCF invested \$25,000. It is too early to predict returns.

BEND VENTURE CONFERENCE

YEAR	COMPANY	DESCRIPTION	INVESTMENT	LOCATION
2012	Sonivate Medical	Ultrasound imaging technologies	\$265K	Portland
2013	Nouvola	Software performance testing platform	\$250K	Portland
2014	Amplion	Clinical biomarker knowledge base	\$250K	Bend
	Poached Jobs	Food and drink industry staffing	\$100K	Portland
2015	Odysys	SaaS marketing for lodging industry	\$225K	Bend
	Perfect Company	Connected kitchen products	\$125K	Vancouver, WA
2016	Hubb	Event management software	\$140K	Vancouver, WA
	RFPIO	Cloud-based RFP response software	\$100K	Beaverton

Between 2012 and 2016, OCF invested \$120,000 in BVC funds. The companies above employ roughly 40 people.

- **2012.** OCF invested \$25,000. Sonivate Medical has been financially supported by major grants from the U.S. Department of Defense as well as private investors. Medical device companies have a long runway and many regulatory hurdles to clear. This was known from the outset, and returns are expected to take many years to realize. Target IRRs are in the 20 percent range.

- **2013.** OCF invested \$20,000. In November 2016, Nouvola was one of three companies selected by Jaguar Land Rover to participate in a six-month program to optimize software performance in internet-connected cars. It will receive funding, design support and office space in the Jaguar Land Rover incubator. Target IRRs are in the 20 percent range.
- **2014.** OCF invested \$25,000. Amplion made strong progress in 2016, more than doubling its 2015 revenue. Poached Jobs is in 16 markets and is performing roughly as planned. Target IRRs are in the 20 percent range.
- **2015.** OCF invested \$50,000 (Meyer Memorial Trust matched OCF's investment of \$25,000). Odysys is on track to hit projected revenue and profitability numbers. Perfect Company is in the growth stage, with a multimillion run rate, and is pursuing relationships with big-box retailers. Target IRRs are in the 20 percent range.
- **2016.** OCF invested \$25,000. Hubb is in the growth stage. RFPIO is still early stage, with a successfully closed seed round. Target IRRs are in the 20 percent range.

CASCADE ANGELS FUND 2016, LLC

COMPANY	DESCRIPTION	INVESTMENT	LOCATION
Amplion	Clinical biomarker knowledge base	—	Bend
Cairn	Outdoor gear by subscription	—	Bend
Droplr	Collaboration and filesharing tools	—	Bend
Hubb	Event management software	—	Vancouver, WA
Outdoor Project	Outdoor adventure planning website	—	Portland
ZeroTransform	Virtual reality gaming	—	Bend

OCF invested \$150,000 in Cascade Angels Fund 2016, LLC. This diverse portfolio includes investments in consumer products, consumer tech and enterprise software. The companies listed above employ approximately 35 people in Oregon. Harrelson Group CEO Julie Harrelson manages the fund; women currently comprise less than 10 percent of fund managers nationwide.

- **Amplion** is focused on the pharmaceutical research market. BiomarkerBase provides quicker access to critical biomarker data, which reduces the cost and complexity of conducting clinical trials and related medical research.
- **Cairn** has doubled its annual revenue from 2015 (\$2.5 million) to 2016 (\$5 million) and continues to see strong growth opportunities.
- **Droplr** has continued to grow its engineering team and has seen great success with expanding existing clients. Team clients are renewing at 185 percent year over year. Droplr continues to pursue an integration strategy.
- **Hubb** ended its second year in market with more than 200 percent growth and as a market leader in the event technology industry. The injection of capital raised in a recent Series A accelerated sales and marketing, making Hubb the content management provider of choice for more than 60 customers, including some of the world's top technology companies.
- **Outdoor Project** is in the growth stage and plans to optimize available monetization channels, incorporate new channels and capture a greater share of its market in the West for 2017. It is also expanding its content coverage to destinations in the United States and select nearby international markets. As of 2016, it was the country's fastest-growing outdoor site.
- **ZeroTransform** was launched on grants from Google and Oculus and is now generating revenue on Google Cardboard, Oculus Rift, HTC Vive and Samsung Gear VR. Since 2015, ZeroTransform products have been consistently among the top-ten titles on Cardboard. The company is currently investing in products aimed at PlayStation VR and Daydream.

ELEVATE CAPITAL FUND, LLC

COMPANY	DESCRIPTION	INVESTMENT	LOCATION
Cascade Prodrug	Cancer drug delivery platform	\$150K	Eugene
Hubb	Event management software	\$450K	Vancouver, WA
IT Aire	Indoor IT and agricultural cooling	\$250K	Beaverton
RFPIO	Cloud-based RFP response software	\$3.0M	Beaverton
SCOUT Military	E-commerce app for military families	\$100K	Portland

In 2016, OCF invested \$250,000 in Elevate Capital Fund, LLC. To date, 100 percent of Elevate’s companies have raised their target capital. Elevate was first money in on all companies except for Cascade Prodrug. The portfolio continues to meet or exceed growth expectations, and six-year exit goals for the fund are currently on target. The companies above employ roughly 35 people in Oregon.

- **Cascade Prodrug** is an early-stage cancer drug delivery platform that targets the tumor site rather than the entire host. Its progress has been excellent. Elevate invested on the same terms as other funds three to four years ago, although the company has been significantly de-risked and has hit great performance strides. Both founders are in Eugene, which Elevate classifies as an underserved community.
- **Hubb** is performing well and is expected to achieve 70 percent year-over-year revenue growth to close 2016. The expected return horizon is three years, provided the company continues to achieve 70 to 100 percent year-over-year growth. This woman-founded and -owned business based in Vancouver, Washington, employs roughly 13 Oregonians and has 33 percent workforce diversity.
- **IT Aire** is pursuing RFPs with relatively long delivery cycles and should see increased agriculture sales in Q1 2017. The estimated return horizon is three to four years. IT Aire was founded by a disabled veteran and employs an engineer from a rural Oregon community, making for 66 percent workforce diversity.
- **RFPIO** is performing beyond expectations. It has accelerated growth predictions by an entire fiscal quarter, and a few prospective “whales” in the pipeline are expected to close in Q1 2017. The estimated return horizon is five to six years. RFPIO’s founder is East Indian, and the company has 53 percent workforce diversity.
- **SCOUT Military** has shown great progress in its ability to recruit high-value development talent and is in the process of launching new app versions and offerings. Three employees are veterans, making for 37 percent workforce diversity.

OREGON ANGEL FUND

YEAR	COMPANY	DESCRIPTION	INVESTMENT	LOCATION
2012	Cascade Prodrug	Cancer drug delivery platform	\$625K	Eugene
	Celly	Messaging platform for schools	\$850K	Portland
	GlobeSherpa	Mobile ticketing for public transit	\$835K	Portland
	RYNO Motors	Single-wheeled electric cycle	\$850K	Beaverton
2013	Brandlive	Interactive online video events	\$885K	Portland
	Green Zebra	Healthy convenience foods	\$885K	Portland
	Little Bird	Social web influencer marketing	\$1.2M	Portland
	Opal	Collaborative brand marketing	\$1.5M	Portland
	Paydici	Billing platform for property managers	\$885K	Portland
2014	ActionSprout	Social media for nonprofits	\$1.0M	Portland

YEAR	COMPANY	DESCRIPTION	INVESTMENT	LOCATION
	Bigleaf Networks	Software-defined WAN solutions	\$1.1M	Beaverton
	Bright.md	Telemedicine platform	\$1.1M	Portland
	Inpria	Extreme ultraviolet lithography	\$1.0M	Corvallis
	Muut	Next-gen web commenting platform	\$350K	Portland
	Opal	Collaborative brand marketing	\$450K	Portland
	The Clymb	Online retail for outdoor goods	\$500K	Portland
	Veelo	Sales performance platform	\$1.0M	Portland
2015	Customer.io	Customized marketing platform	\$500K	Portland
	Little Bird	Social web influencer marketing	\$1.0M	Portland
	Lumen Learning	Digital textbook platform	\$1.2M	Portland
	MobileRQ	Contextual mobile marketing	\$500K	Portland
	Perfect Company	Connected kitchen products	\$1.5M	Vancouver, WA
	Poached Jobs	Food and drink industry staffing	\$1.5M	Portland
2016	AbSci	Biopharmaceutical technology	\$492K	Vancouver, WA
	Brandlive	Interactive online video events	\$509K	Portland
	Customer.io	Customized marketing platform	\$1.0M	Portland
	Hubb	Event management software	\$1.25M	Vancouver, WA
	Notion Data	Software development analytics	\$1.0M	Portland
	Outdoor Project	Outdoor adventure planning website	\$1.02M	Portland
	PolySync	Operating system for self-driving cars	\$1.0M	Portland
	Senrio	Internet of things analytics and security	\$350K	Portland
	Wild VR	Virtual reality environments	\$400K	Portland

Between 2012 and 2016, OCF invested \$3.75 million in OAF funds. Nationally, OAF funds perform in the top 1 percent of all venture capital funds (source: *Pitchbook*). The companies listed above employ roughly 650 people.

- **2012.** OCF invested \$1 million. GlobeSherpa was acquired by Daimler in 2015 for a 2.5x return; as Moovel North America, it employs 110 people in Portland and plans to hire at least 100 more. The remaining portfolio companies are performing well and could start to achieve liquidity in 2020 and thereafter. Overall, the fund could yield 1.5x to 10x, mostly depending on the success of Cascade Prodrug.
- **2013.** OCF invested \$750,000. Opal is performing well and serving more than 50 of the top global brands. Green Zebra has three stores open, and three more are in development. Paydici was acquired in October 2015 by North American Bancard. Little Bird was acquired by Sprinklr in November 2016. The fund is up 2x in realized and unrealized gains, based on exits and recent financing values. Fueled by Opal — which has already created an estimated \$100 million in enterprise value — and Brandlive, OAF 2013 could achieve 5x to 10x returns by 2023.
- **2014.** OCF invested \$750,000. Overall, the fund is experiencing strong growth and is on track to generate 3x or more. It is already up in value slightly, thanks to recent uprounds at Veelo and Opal. With the sale of The Clymb to LeftLane Sports in September 2015, OAF 2014 is now a shareholder of LeftLane, which is growing rapidly.
- **2015.** OCF invested \$750,000. The fund is too recent to project returns, but it is already slightly up in value thanks to upround financings at Customer.io, Lumen Learning and Perfect Company. It could achieve the target rate of 3x or more.
- **2016.** OCF invested \$500,000. The nine investments made in 2016 are off to a strong start and are currently performing well. It is too early to project returns.

PIVOTAL INVESTMENT PARTNERS I, LP

COMPANY	DESCRIPTION	INVESTMENT	LOCATION
EnergySavvy	Energy efficiency software	\$3.0M	Seattle, WA
Enlighted, Inc.	Sensor networks for smart buildings	\$2.0M	California
Home Comfort Zones	Energy management systems	\$1.5M	—
Pacific Light Technologies	Quantum-dot LED lighting	\$2.3M	Portland
Soil Technology, Inc.	Agricultural technology	\$1.4M	—
Tuusso Energy	Utility-scale solar power	\$2.0M	Seattle, WA

In 2008, OCF invested \$2.5 million in Pivotal Investment Partners I, LP.

- **Home Comfort Zones** closed in 2012 and has been written off.
- **Soil Technology, Inc.** exited through the sale of assets in November 2013, returning \$556,000.
- **Pacific Light Technologies** employs roughly 12 people in Oregon. As the only company producing on-chip quantum-dot lighting solutions, it has significant technical advantages. It is expected to do a soft launch of its first quantum-dot product and ramp up marketing in Q1 2017. It has also entered into a development agreement with a firm making LEDs for the display segment; its quantum-dot backlights are expected in the second half of 2017.
- **EnergySavvy**, based in Seattle, has developed considerable commercial business in Oregon. It finished Q3 ahead of its plan both in revenue and bookings, and now serves nearly 40 utilities. It continues to see significant wins in terms of new customers as well as new products (mainly in adjacent areas).
- **Enlighted** piloted its sensor networks with Portland-area customers, including Nike, Intel and Portland State University. Enlighted's subsequent Series B, led by Kleiner Perkins and DFJ, was based largely on the success of these customer references. It is also signing significant OEM relationships that, although expected to take some time to ramp up, will have a material impact on financial and market performance. Based in California, with offices in India, France, Germany and the Netherlands, Enlighted is currently in the growth stage.
- **Tuusso Energy** is a Seattle-based firm that develops and sells mid-sized solar power plants, with a dual focus on utility-scale projects and industrial and agricultural applications. Now in the growth stage, Tuusso's pipeline grew significantly in the second half of 2016. For 2017, Pivotal expects progress on power purchase agreements for utility-scale projects and successful completion of "behind the meter" commercial agricultural projects.

Pivotal is not in a position to forecast returns at this time, as its portfolio is highly concentrated and exit values are not yet established. It believes that financial success will be demonstrated in the future.

PORTLAND SEED FUND II, LP

COMPANY	DESCRIPTION	INVESTMENT	LOCATION
Amplion	Clinical biomarker knowledge base	—	Bend
ActionSprout	Social media for nonprofits	—	Portland
Better Bean Co.	Gourmet beans	—	Wilsonville
Bigleaf Networks	Software-defined WAN solutions	—	Beaverton
Brandlive	Interactive online video events	—	Portland
Bright.md	Telemedicine platform	—	Portland
Collexion	Networking and search site for collectors	—	Portland
Complier Enterprise	Drone industry compliance solutions	—	Corvallis

COMPANY	DESCRIPTION	INVESTMENT	LOCATION
Crowd Supply	Curated crowdfunding platform	—	Portland
CrowdStreet	Crowdsourced real estate funding	—	Portland
Customer.io	Customized marketing platform	—	Portland
DesignMedix	Drugs for drug-resistant diseases	—	Portland
Droplr	Collaboration and filesharing tools	—	Bend
Energy Storage Systems	Green backup power for facilities	—	Portland
Handful	Sports apparel for women	—	Portland
HoneyComb	Drone-based agricultural imaging	—	Wilsonville
Hubb	Event management software	—	Vancouver, WA
iFlipd	Online book access for students	—	Lake Oswego
IOTAS	Smart home tech for renters	—	Portland
LeadMethod	Platform for capturing sales leads	—	Bend
Lumen Learning	Digital textbook platform	—	Portland
Muut	Next-gen web commenting platform	—	Portland
NemaMetrix	Collaborative biotech platform	—	Eugene
Notion Data	Software development analytics	—	Portland
NurseGrid	Nurse scheduling and staffing platform	—	Portland
Onboard Dynamics	Natural gas technology for autos	—	Bend
Owl Insights	Behavioral health care analytics	—	Portland
Poached Jobs	Food and drink industry staffing	—	Portland
Sightbox	Vision care for contact lens users	—	Portland
Society Nine	Fighting gear for women	—	Portland
SpaceView	3D augmented reality application	—	Portland
The Dyrt	Campground and guided adventure site	—	Portland
Wild Friends Foods	Nut and seed butters	—	Portland
Wildfang Co.	Clothing for tomboys	—	Portland
Zembula	Cloud platform for reveal marketing	—	Portland

In 2014, OCF invested \$250,000 in Portland Seed Fund II, LP (PSF II). As of December 2016, \$200,000 has been called. The companies listed above employ roughly 325 people in Oregon.

PSF II has met or exceeded its objectives in terms of investment performance, job creation and establishing a vibrant founder-led ecosystem. The majority of companies in its portfolio are meeting development and sales milestones. Only two companies out of 41 have become inactive.

Ten follow-on priced rounds have elevated market values, with more expected as the fund matures. In total, PSF II's 41 companies (including companies outside Oregon) raised more than \$97 million in additional capital, with a median raise of \$1.13 million and an average raise of \$2.28 million.

ROSEBURG AREA ANGEL INVESTMENT NETWORK 2015, LLC

COMPANY	DESCRIPTION	INVESTMENT	LOCATION
HoneyComb	Drone-based aerial imaging for agriculture	\$215K	Wilsonville

OCF invested \$50,000 in Roseburg Area Angel Investment Network 2015, LLC. HoneyComb provides drone-based aerial imaging solutions for precision agriculture and forestry, including modeling and prediction services. It employs nine people and three contractors in Oregon. A return is not expected until late 2018 at the earliest.

SOUTHERN OREGON ANGEL INVESTORS

YEAR	COMPANY	DESCRIPTION	INVESTMENT	LOCATION
2012	Montrue Technologies	iPad platform for doctors	\$160K	—
2013	Jettstream	Asthma drug delivery system	\$220K	—
2014	Nouvola	Software performance testing platform	\$215K	Portland

Between 2012 and 2014, OCF invested \$20,000 per year in Southern Oregon Angel Investors funds.

- **2012.** Montrue Technologies was unable to reach agreement with a hospital on beta testing of its platform, resulting in the dissolution of the company and of Southern Oregon Angel Investors 2012, LLC, in 2016.
- **2013.** Jettstream failed to complete product development and to reach agreement on beta testing, resulting in the dissolution of the company and of Southern Oregon Angel Investors 2013, LLC, in 2016.
- **2014.** In 2015, Southern Oregon Angel Investment Network made a follow-on investment of \$175,000 in Nouvola. The fund continues to be successful, but it is too early to predict returns. Nouvola employs five people.

VOYAGER CAPITAL FUND IV, LP

COMPANY	DESCRIPTION	INVESTMENT	LOCATION
Lytics	Personalized marketing and customer data platform	\$3.1M	Portland
SheerID	Customer transaction verification	\$3.8M	Eugene
Skyward	Software-defined airspace for drones	\$2.2M	Portland

In 2013, OCF invested \$250,000 in Voyager Capital Fund IV. As of December 2016, 74 percent of OCF's commitment has been called. The companies above employ roughly 80 people in Oregon. Skyward sold to Verizon in January 2017. The fund is likely to make two to four additional core investments over the next 12 to 18 months.

WILLAMETTE ANGEL CONFERENCE

YEAR	COMPANY	DESCRIPTION	INVESTMENT	LOCATION
2013	Sonivate Medical	Ultrasound imaging technologies	\$380K	Portland
2014	Dune Sciences	Odor control for fabrics	\$380K	Eugene
2015	Moonshadow Mobile	Geospatial visualization of big data	\$455K	Eugene
2016	Agility Robotics	Bipedal robot technology	\$100K	Albany
	Levrum	Emergency resource siting software	\$300K	Corvallis

Between 2013 and 2016, OCF invested \$115,000 in WAC's annual funds. It is too early to predict returns. Currently, the companies listed above employ roughly 45 people in Oregon.

- **2013.** OCF invested \$20,000. Although it is too soon to predict returns, Sonivate Medical's recent multimillion-dollar order from the U.S. Department of Defense is a significant milestone.
- **2014.** OCF invested \$20,000. Dune Sciences is selling its deFUNKit product line through Amazon and 700 specialty sports stores. It is also ramping up production, marketing and sales to large chains, including Cabela's and Road Runner Sports.
- **2015.** OCF invested \$50,000 (Meyer Memorial Trust matched OCF's investment of \$25,000). Moonshadow Mobile has developed impressive internet of things capabilities with its database and mapping expertise. It recently raised a \$600,000 follow-on investment to fund go-to-market efforts. A demonstration of its capability is driving considerable interest in this technology by transit organizations.
- **2016.** OCF invested \$25,000. Agility Robotics developed its bipedal robot technology at OSU, was coached by the RAIN Corvallis accelerator, received an investment from WAC and attracted significant additional investment of about \$750,000. Levrum Inc. (formerly Code3Simulator) creates software that helps fire departments plan the optimal siting for emergency resources. It has hired an experienced software executive as CEO, improved its marketing and sales effectiveness and is signing up new customers.



The mission of
THE OREGON COMMUNITY FOUNDATION
*is TO IMPROVE LIVES FOR ALL OREGONIANS
THROUGH THE POWER OF PHILANTHROPY*

www.oregoncf.org

PORTLAND
503.227.6846

BEND
503.382.1170

EUGENE
541.431.7099

MEDFORD
541.773.8987

SALEM
503.779.1927