

QUICK HITS

ADDRESSING TRANSPORTATION

Along with sustainability and health care, Oregon Leadership Summit participants will mull the state's emerging transportation issues.

State residents strongly back repairing streets, improving neighborhood and pedestrian safety programs, and synchronizing signals to help ease congestion, a recent Davis Hibbits & Midgall Inc. survey found.

Portland residents also indicated that they'd back various funding sources — including a 3 cent local gas tax, a monthly residential street maintenance fee between \$2.60 and \$4.50, and a \$27 annual vehicle registration fee — to make the repairs.

Portland City Commissioner Sam Adams will propose one or all of those measures as part of a sweeping transportation reform package. The city and county have a combined \$747 million transportation-related backlog.

Earlier this week, transportation experts from Oregon and Washington also came out in favor of building a new Interstate 5 bridge over the Columbia River, which could cost more than \$4 billion.

One panel, featuring Gov. Ted Kulongoski and State Sen. Peter Courtney, a Democrat from Salem, will focus on long-term transportation ideas.

"From a business perspective, we've been pretty consistently asking for a road funding package," said Duncan Wyse, the Oregon Business Council's president. "At this point, we just want to remind folks how important it is to get to a package for 2009" when state lawmakers hold their next regularly scheduled legislative session.

— Andy Giegerich

CORRECTIONS

OREGON STATE STAFF TITLES

In two articles about Oregon State University published Nov. 16, two people's titles were misstated. Ron Adams is the dean of OSU's College of Engineering. Terri Piez is director of the Department of Electrical Engineering and Computer Science.

OBAMA'S CAPITAL GAINS PLANS

The box that accompanied the tax proposals story in the presidential campaign package in the Nov. 9 issue contained an error: Barack Obama has proposed raising the capital gains tax rate but has not specified an exact percentage.

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Green focus pays, but work remains

Leadership Summit covers various topics

BY ANDY GIEGERICH
BUSINESS JOURNAL STAFF WRITER

Much of next week's annual Oregon Leadership Summit will build on last year's "Gaining Sustainable Advantage" theme.

At last year's summit, specific initiatives included supporting investments in such potentially green industries as wave energy and food processing; creating a consolidated pro-sustainability agenda on land use, transportation and permitting; and supporting signature research centers for various environmental fields.

While many of the initiatives are works in progress, Oregon Business Plan leaders found plenty of validation within the state's 2007 economic achievements.

• An Oregon Economic and Community Development Department report showed that companies within the state's "renewable energy" cluster experienced 8.12 percent average annual employment jumps between 2003 and 2006.

The cluster logged annual wages of \$59,149 per employee, or about \$20,000 more than workers' average wages in all industries. The segment's workers have also collected annual increases of 9.62 percent since 2003.

• Oregon also saw a multi-agency effort this year to boost the photovoltaic industry's job base. Working with Gov. Ted Kulongoski's office and the Oregon Energy Department, the Oregon Economic and Community Development Department hopes to attract one polysilicon producer, two ingot and wafer manufacturers, two photovoltaic cell manufacturers and at least two module manufacturers.

The industry could generate more than \$10 billion in new capital investments nationally in coming years, said Nathan Buehler, OECDD's marketing manager.

• Business Plan officials have also welcomed a cadre of new solar-related investments within the Portland area. Solar World AG opened an integrated solar silicon wafer and solar cell production facility in Hillsboro. The firm will spend \$400 million to develop the former Komatsu Group location.

Solar World expects to create 300 jobs by the end of 2008; another 700 workers could climb on board when the facility is finished.

Peak Sun Silicon, the Carlsbad, Calif., solar cell manufacturer, said last month it would bring 50 jobs to the area by Jan. 1 and eventually pour \$700 million worth of capital investments into its new Millersburg facility. And Santa Clara, Calif.-based Solaix, which opened its Portland ingot and wafer manu-



CATHY CHENEY | PORTLAND BUSINESS JOURNAL

Esco Corp. CEO Steve Pratt says Oregon must respond to several challenges.

facturing facility last week, said the site could eventually employ 200 workers.

Buehler said the activity comes because Oregon has attractive energy costs and a skilled work force.

"We have all the successes with Intel and the other wafer fabs here," he said. "The process for solar cells is the same."

Companies have also flocked to the state because of Oregon's renewable energy industry tax credits, he said.

Business Plan leaders also saw many other advances stemming from the 2007 platform:

• Such forward-thinking apparel manufacturers as Icebreaker have moved to the state. The activewear company, which relocated this fall from Idaho to Portland, pays New Zealand merino wool farmers premium prices for a guaranteed supply of the soft wool in exchange for the farmers' agreeing to strict environmental and animal-welfare standards.

Icebreaker recently inked a \$50 million, four-year contract with wool producers there. About 80 workers could eventually staff the company's new Pearl District headquarters.

• Companies such as West Linn-based Haley Brands LLC are augmenting the state's food processing industry. Haley Brands' new water line, Moda, is bottled from a local source. Because it's only sold regionally, Haley doesn't expend the same amount of distribution resources, such as

gasoline, as its national competitors.

• Portland State University, Oregon State University and Willamette University all fortified their sustainable business course offerings.

• David Chen, one of the state's best-known venture capitalists, announced that his new firm, Equilibrium Capital Group LLC, would seek to launch a \$200 million fund that invests in sustainable businesses. The firm seeks to balance sustainability with profits and capital growth.

• Several Portland companies continued to join forces on sustainability-driven partner-

ships. Most notably, Umpqua Holdings Corp. steered more than \$1 million in tax credits toward local green projects in a partnership with Gerding Edlen Development.

Esco Corp. CEO Steve Pratt, who's chairing the summit's steering committee, said the state still faces many other business challenges.

"We're definitely in a global economy, and there's tremendous competition," he said. "To compete in that economy, we have to have effective education and we need to be productive, because we'll never be able to compete [with overseas manufacturers] from a cost standpoint."

To succeed, state industries must eliminate waste by becoming more sustainable, keep their working capital costs down and preserve as much energy as possible, Pratt said.

Oregon Business Council President Duncan Wyse, whose group oversees the Oregon Business Plan's machinations, said participants will vote on certain proposals as they're presented. Conference attendees will electronically log whether they like or dislike a given notion.

If nothing else, the votes will continue the dialogue that brings together leaders like Pratt with others outside his industry.

"It's pretty unique to get a forum where the public sector and private sector can put together an agenda that strives for statewide prosperity," he said.

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THE OREGON LEADERSHIP SUMMIT

WHEN: Dec. 3

WHERE: Oregon Convention Center

THEME: Moving Forward

9 A.M.

Welcome and introductions from U.S. Sens. Ron Wyden and Gordon Smith

9:30 A.M.

Moving Forward: Oregon Business Plan 2.0

Steve Pratt, Esco Corp.
Chair, Oregon Business Plan Steering Committee

9:50 A.M.

Gaining Sustainable Advantage

Rod Wendt and Ron Saxton, Jeld-Wen Inc.
Will Swope, Intel Corp.

10:20 A.M.

Table conversation and electronic voting

10:30 A.M.

Reports on Oregon Business Plan initiatives

Public Finance

Malia Wasson, U.S. Bank - Oregon
Education and Work force

Sam Brooks, S. Brooks and Associates Inc.
Susan Castillo, Oregon superintendent of public instruction

Eileen Drake, PCC Structural Inc.

Health Care

Sen. Ron Wyden
Sen. Gordon Smith

Peggy Fowler, Portland General Electric
Economic Innovation

David Chen, chair, Oregon Innovation Council

11:30 A.M.

Lunch and head to a cluster roundtable discussion

1:15 P.M.

Arts and Oregon's Economy

Chris Coleman, Portland Center Stage
Storm Large, special performance from "Cabaret"

1:30 P.M.

Keynote Address: Oregon Gov. Ted Kulongoski

2 P.M.

Moving Forward on Transportation

Peter Courtney, Senate president, moderator
Gail Achterman, Oregon Transportation Commission

Commissioner Sam Adams, city of Portland
State Rep. Terry Beyer

Congressman Earl Blumenauer
Congressman Peter DeFazio

Stuart Foster, chair, Oregon Transportation Commission
State Rep. Bruce Hanna

Oregon House Republican Leader
State Rep. Dave Hunt, Oregon House

Majority Leader
State Sen. Rick Metzger

Pat Reiten, Pacific Power

3:15 P.M.

Proposals to Gain Green Advantage

Four presentations, each followed by discussion and electronic voting

4:15 P.M.

Oregon Agriculture: An Illustration of Innovation

Kent Madison, Madison Farms
John Aguirre, Oregon Association of Nurseries

4:45 P.M.

Reception highlighting Oregon restaurants, food and beverages from regions around the state