2013 ANNUAL REPORT

GREATER PORTLAND

GREATER PORTLAND INC
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GPI's Board of Directors is composed of public and private leaders committed to building and maintaining a vibrant economy and region.

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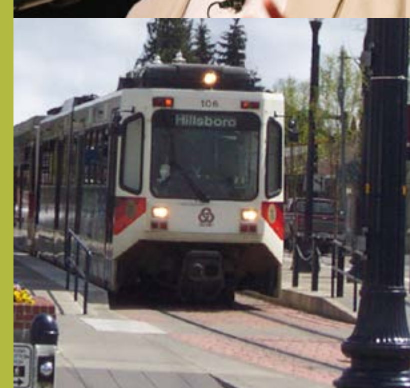
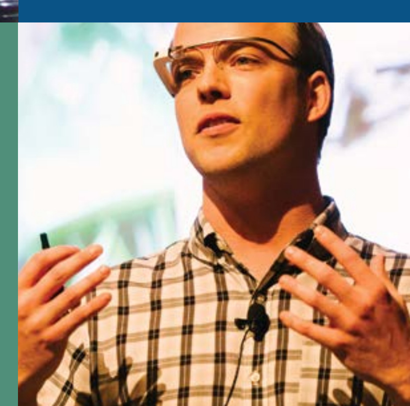




From the President & CEO

THE MISSION OF GREATER PORTLAND INC (GPI) IS TO UNITE TOP BUSINESS and elected leaders to strategically market the region to grow jobs and create a thriving economy. Turning that mission into reality requires relentless action applied consistently over time. In our first two years of work, Greater Portland Inc has done just that. Collaborating with local and state partners across the region, Greater Portland Inc is delivering tangible results. In 2013, GPI achieved the following:

- Winning key projects that have created and retained over 500 jobs;
- Launching an awareness and marketing campaign that has generated over $12 million of earned media coverage for the Greater Portland economy in national media outlets;
- Building a regional recruitment and marketing pipeline that is currently targeting 230 company executives and site selectors; and
- Working 35 active prospects with state, regional and local partners.

In all of this work, we have planted the seeds of trust, collaboration and proactive determination that will fuel our progress in uniting regionally to compete on the global stage. Despite this progress, the economy has also reminded us that resting on our laurels will surely leave us behind. The assets that made us competitive in the past will not be enough to make us competitive going forward and so our region’s actions must continue to reflect a changing global economy.

At its heart, that is exactly what the work of GPI is about: providing the focused attention, deliberate action and strategic collaboration that will grow jobs and lay the groundwork for regional prosperity for generations to come.

SEAN ROBBINS, PRESIDENT & CEO

2013 Year in Review

The following are just some of the achievements from the past year's work to strategically market the region to grow jobs and help create a thriving economy.

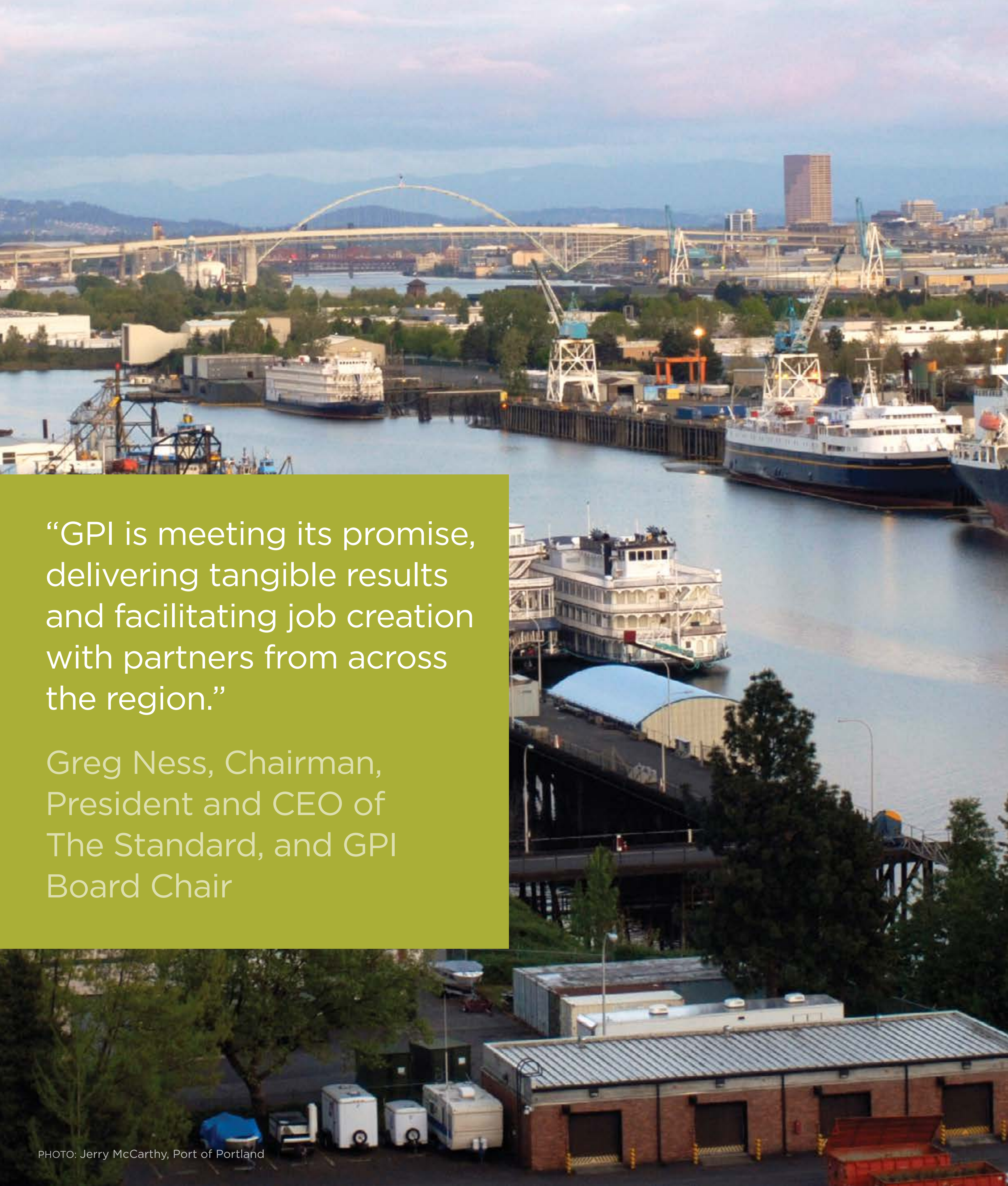
- **SECURED** $12 million in earned media coverage for the region
- **CREATED** and retained over 500 jobs by winning key projects
- **EXCEEDED** goals with a recruitment and marketing pipeline that reached over 230 leads
- **DEVELOPED** direct relationships with global site selectors through face-to-face meetings
- **LAUNCHED** campaign to grow Prospect Funnel to over 600 C-level executives in six months
- **ADDED** four new traded-sector company leaders to Faces of Business campaign
- **RELEASED** innovative mobile app for recruitment marketing
- **ON TRACK** to double the region's exports from $21 billion to $42 billion by 2017 (exports now at $33.9 billion)
- **COMPLETED** Westside Freight Access and Logistics Analysis addressing transportation barriers in the computer and electronics sector, critical to exports
- **BROADENED** the investor base by 21%, with 73% of cities and counties with over 10,000 in population now GPI investors

SCOTT DECKER, PRESIDENT, HEALTHSPARQ AND FACE OF BUSINESS

With the Faces of Business marketing campaign, executives learn why they should locate to Greater Portland from regional leaders like Scott Decker.

> "The Greater Portland economic development people rolled out the red carpet for us. It really helped us fast-track the move up here."
>
> Jim Cook,
> Chief Financial Officer,
> Mozilla

PHOTO: Mozilla Portland Offices / Mozilla



"GPI is meeting its promise, delivering tangible results and facilitating job creation with partners from across the region."

Greg Ness, Chairman, President and CEO of The Standard, and GPI Board Chair

PHOTO: Jerry McCarthy, Port of Portland

Executive Summary

With two years under our belt, Greater Portland Inc delivered on the objectives we set for 2013.

We exceeded our goals by adding over 500 new traded-sector jobs through expansion and recruitment activity. We established our role as the region's economic development research and strategy "nerve center," and continued building organizational infrastructure consistent with a best-in-class public/private partnership.

We launched a comprehensive marketing strategy resulting in over $12 million of earned media coverage for the Greater Portland economy, including national media outlets. The strategy's multi-platform approach includes a dynamic website, Search Engine Optimization (SEO) and social media tactics, and an award-winning mobile app that was recognized as an Adobe "App of the Week."

As part of our business recruitment strategy, we've begun developing long-term relationships with site selectors and company executives; four outbound trips enabled GPI to build on, and learn from, these relationships. We built a regional recruitment and marketing pipeline to target 230 company executives and site selectors (exceeding our original goal of 150). We're currently working 35 active prospects, with state, regional and local partners. We've launched a six-month campaign to generate leads by reaching out to over 600 C-level executives in two key sectors across the United States.

LISA THOMPSON, ICEBREAKER USA AND FACE OF BUSINESS

The Portland region is well-known as a center for outdoor and athletic brands. Icebreaker, growing rapidly, needed serious talent to lead it into the future—and quickly discovered the camaraderie that exists within the industry. Lisa has been impressed by the willingness of others to share insights and learnings.

Executive Summary (continued)

Growing exports is a key strategy to grow jobs. 2013 saw us on track to double the region's exports from $21 billion to $42 billion, and retaining and growing up to 103,000 jobs. With public and private leaders behind the Greater Portland Export Initiative, exports have already reached $33.9 billion. With the completion of the crucial Westside Freight Access and Logistics Analysis, the region can better address the transportation barriers in the computer and electronics sector.

With these and other significant achievements logged and the foundation laid, Greater Portland Inc enters 2014 with a clearly focused set of objectives. We will continue building a collaborative partnership that consistently provides a valuable return to the regional economy.

These wins in 2013 have set the stage for our region's success in job growth, new business and broad economic prosperity. Read on for more specific accomplishments by work area.

KATHY CLEVENGER,
MICROCHIP TECHNOLOGY INC.
AND FACE OF BUSINESS

The semiconductor cluster, affordable energy, and an educated and well-trained workforce are just some of the reasons Microchip Technology Inc. chose the Greater Portland region.

LAUNCHED MOBILE APP

71

13 new in 2013

# of GPI private & public sector INVESTORS

and

73%

of cities and counties with over 10,000 in population are now GPI investors

PORTLAND REGION

RANKED 8*th*

IN FAST COMPANY MAGAZINE'S RANKING OF THE 10 SMARTEST CITIES

500+

NEW JOBS

Portland region ranked one of the

25

Monocle Quality of Life 2013 survey

most livable cities in the world

Total # of Media IMPRESSIONS

139 MILLION

TWITTER TRENDING

327,000

Social media impressions for 2013 Economic Summit

OVER **$12 MILLION**

and

OVER **157 MEDIA MENTIONS**

What does Greater Portland have in common with Beijing, Berlin, London, Paris, San Francisco, Taipei, Tokyo and Toronto? Mozilla has chosen each of these urban centers for its “Mozilla Spaces” – offices around the world where employees work and collaborate side by side.

Business Recruitment and Expansion

Greater Portland works to grow jobs and build a thriving economy by attracting outside companies to the region and working with partners to assist in expansion for those already here. The following are highlights from 2013:

Nike Expansion

In early 2013, GPI learned that a large company was considering Austin, Denver and Greater Portland for expansion. The company: none other than Nike. GPI swiftly mobilized regional leaders and resources, and Nike reached a tax certainty agreement with the state of Oregon in return for delivering at least 500 new jobs. Economic impact studies suggest the expansion could create up to 12,000 jobs, including as many as 2,900 construction jobs, by 2020. This growth represents a $2 billion annual investment.

Evolution of a Recruitment: Mozilla

Mozilla has had a handful of employees scattered around the Portland region since 2005. In 2010, the software leader began consolidating its workforce. In 2011, GPI and regional leaders “rolled out the red carpet” at the inaugural Fly-In, showcasing the quality of life and talent the region offers. Fast-forward to 2013: Mozilla opened a 40-person office in Portland, citing the Fly-In as a key factor in the decision.

Regional Economic Return on Investment

GPI is the region’s organization dedicated to marketing Greater Portland to produce job growth. Contributions to GPI are a direct investment in the region’s future. The return on investment is measurable: according to modeling work done by ECONorthwest, when GPI assisted in just one recruitment project, it generated a $2.57 annual economic return for every dollar invested.*

*Based on the type of business and jobs, the value of direct, indirect, and induced economic activity related to the new or expanded business is identified. Then, GPI’s proportional engagement in the business location decision is assigned (in the case above, it is 10%). Multiplying the first two factors (economic activity x GPI’s role) and dividing by the costs of operations at GPI provides an estimate of the return on investment.

Choose Greater Portland

GPI's Strategic Recruitment and Marketing Campaign Fills the Prospect Funnel

Building the Funnel

Strategically marketing the region to build a recruitment and marketing pipeline, filled with qualified leads and influential site selectors, is vital to growing jobs. In 2013 GPI executed this strategy with a Prospect Funnel composed of site selectors and company executives with site location responsibilities. Face-to-face meetings are crucial to developing close relationships with these leads. We communicated to over 230 leads this year and have an active pipeline of 35 prospects.

Generating Leads

GPI kicked off a six-month lead-generation campaign to grow the Prospect Funnel further by contacting over 600 C-level executives, with a target of six qualified prospects considering the region for expansion/relocation.

Going Outbound to Bring Companies In

GPI participated in four outbound business development missions, including trips to New York and Germany. We met face-to-face with site selectors, companies considering expansion, investment firms and landowners/developers to promote our region as a hotspot.

Selling Our Core Strengths Overseas

GPI attended the ISPO 2013 trade show in Munich, Germany to meet with senior staff members from European sporting goods and apparel companies that do not yet have a physical presence in the U.S.

Building Essential Relationships with Site Selectors

GPI met with eight consulting firms in the New York and New Jersey area who assist global businesses with site selection, building important relationships and gaining insights to guide future efforts.

Insights

How can we position our region to win site selection battles? Meeting with site selectors and prospects helped us understand perceptions and attitudes about our region. Insights from 2013 have already informed GPI's 2014 Work Plan.

157
MEDIA MENTIONS
TOTAL

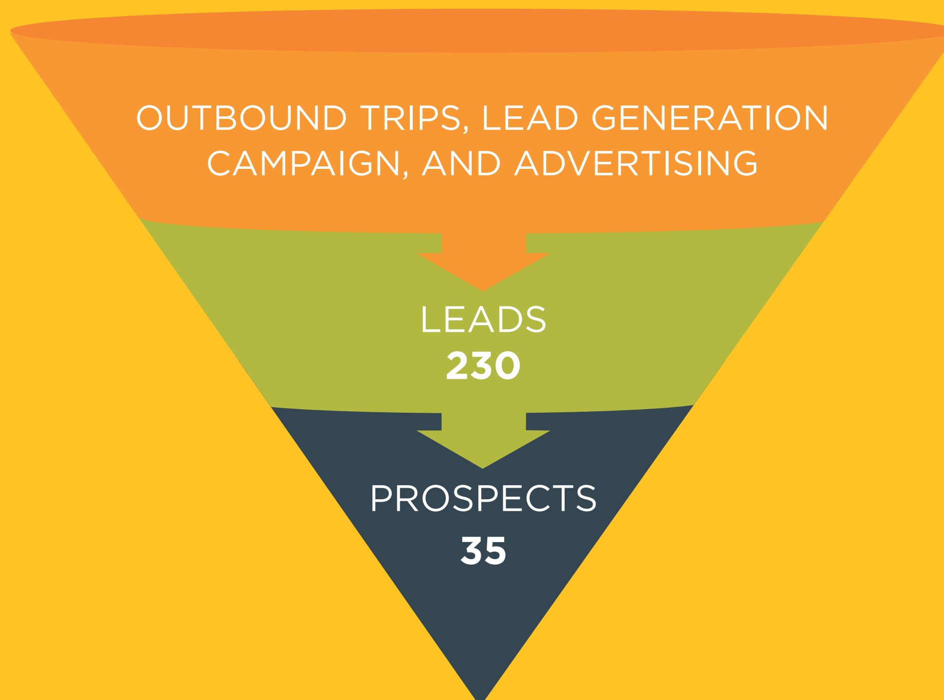
72 NATIONAL & INTERNATIONAL

12 MILLION DOLLARS
EARNED MEDIA COVERAGE

257%

ONE RECRUITMENT DEAL ALONE YIELDED A $2.57 ANNUAL ECONOMIC RETURN FOR EVERY $1 INVESTED

PROSPECT FUNNEL SNAPSHOT



WINS FROM 2013

500+
JOBS

ALL PROSPECTS RECEIVE TARGETED EMAIL COMMUNICATIONS

Marketing and Branding

Why choose Greater Portland? GPI has a few ideas.

GPI uses the power of storytelling to show companies why they should expand or relocate to this region. In 2013, we told the Greater Portland story through a comprehensive marketing strategy across multiple channels: from web, email, mobile app, social media and traditional PR to advertising, we targeted site selectors and company executives making decisions about where their companies will locate or expand.

To highlight what makes the region so attractive for business—our unique combination of world-leading industry, skilled workforce, excellent infrastructure and export economy, collaborative approach and quality of place—GPI creates and distributes a compelling mix of data, case studies and key sector-focused collateral. And it pays off: 2013's efforts have added to the recruitment Prospect Funnel.

In 2013 we launched an award-winning mobile app for site selectors and companies making critical location decisions. Now, answers to "Why choose Greater Portland?" can be found right at their fingertips. This valuable piece of our economic development toolkit was chosen as an Adobe "App of the Week" alongside internationally recognized brands like Jaguar, Rolling Stone and O, the Oprah Magazine.

GREGG SEMLER, LUCID ENERGY AND FACE OF BUSINESS

The success of GPI's mobile app is just one example of how 2013's integrated Marketing and Business Development efforts worked to create awareness of the value proposition for expanding/locating business in the region.

Marketing and Branding Highlights:

- Achieved over $12 million of earned media ad valuation
- Produced award-winning mobile app, Greater PDX
- Implemented email marketing campaign to nurture and grow leads
- "Uniting Regionally" campaign brought regional stakeholders together to work toward common goal of job creation and prosperity
- Influenced a feature editorial on entrepreneurship in Alaska Airlines magazine seen by 1.6 million travelers, along with an ad targeting West Coast businesses
- Added four new Faces of Business — Lisa Thompson, Icebreaker; Gregg Semler, Lucid Energy; Kathy Clevenger, Microchip Inc.; Scott Decker, Healthsparq

What does Greater Portland Inc's mobile app – Greater PDX – have in common with O, the Oprah Magazine, Rolling Stone and Jaguar? All have been singled out as Adobe's "App of the Week."

Uniting Regionally to Compete Globally

The days of trying to go it alone are over; we have to make our limited resources count. Our ability to create a thriving economy depends on working together, across boundaries, sectors, and points of view. Greater Portland Inc was founded in 2011 to align the ecosystem and increase its capacity to generate economic impact. And with over 70 public and private regional organizations and companies investing in GPI, all under the same "tent," we are improving coordination, prioritizing actions and focusing resources where they have the greatest return. The following are key highlights of the important convening work.

Sixth Annual Economic Summit

In the fall, over 550 regional leaders came for Greater Portland Inc's Sixth Annual Economic Summit and learned more about how metros like the Greater Portland region are helping shape the national economy. With the theme of "Metropolitan Revolution," the Summit highlighted Greater Portland's global leadership, thriving exports and entrepreneurial scene—and invited attendees to help build the region's future economy.

Greater Portland trended on Twitter with the event hashtag #GPISummit, earning over 327,000 social media impressions. Summit attendees were able to see shared posts instantly on-screen and through the Summit Program mobile app.

Chris Anderson's thought-provoking keynote explored the idea of a new industrial revolution in custom-fabricated, do-it-yourself product design that is driving a resurgence in American manufacturing. "Open hardware is not about the right technology, but instead about the right community," Anderson said. "The future economy will be defined by communities of makers and entrepreneurs who innovate and create, together—and that's exactly what we find in the Portland area."

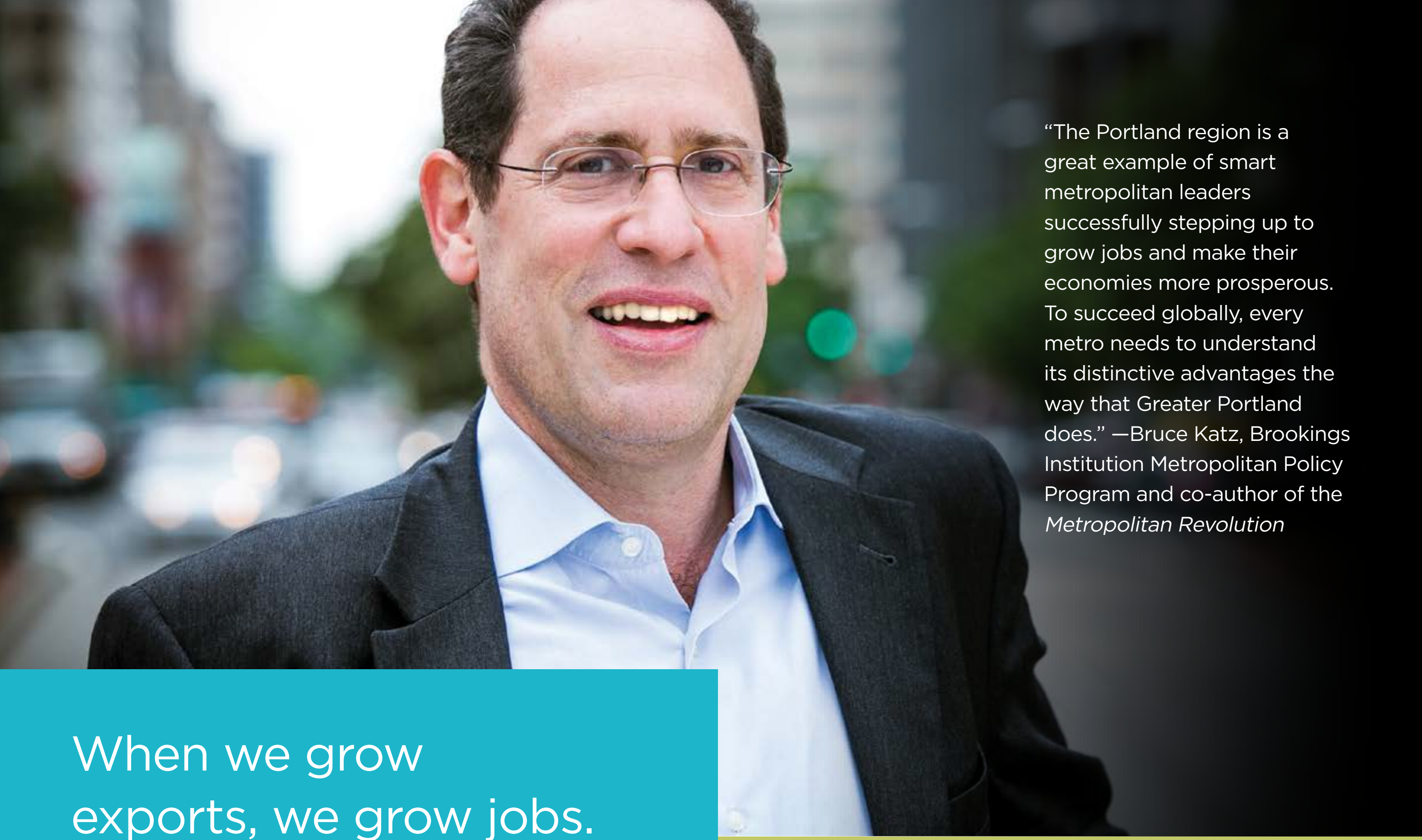
Cities Large and Small, Uniting to Compete Globally

The globalized economy has significant implications for how we think and act in our own community. We face competition in a global marketplace. Businesses look for future location and expansion opportunities from metros around the world—from Sao Paulo to Shanghai or Chicago. When it comes to strategies to grow family-wage jobs, we cannot afford to focus on intra-regional differences between Portland, Vancouver, Gresham and Hillsboro. The outside world looks at us as one region, and we must do the same. Thankfully our local elected officials, chief executives and university partners, looking outward, see the importance of uniting to compete in the global economy.

In 2013, the individual communities that make up our region demonstrated their desire to work together as a region: 73% of cities and counties with a population of over 10,000 are now GPI investors.

“Through the GPI Small Cities Consortium, we complete the mosaic of a unified region positioned to compete globally and secure our shared economic vitality.”

Mayor Ogden, City of Tualatin, and GPI Small Cities Consortium Representative



"The Portland region is a great example of smart metropolitan leaders successfully stepping up to grow jobs and make their economies more prosperous. To succeed globally, every metro needs to understand its distinctive advantages the way that Greater Portland does." —Bruce Katz, Brookings Institution Metropolitan Policy Program and co-author of the *Metropolitan Revolution*

When we grow exports, we grow jobs. To be competitive in today's economy we have to compete globally in order to drive regional economic growth.

PHOTO: Brookings Institution

Greater Portland Export Initiative

The Greater Portland Export Initiative was launched in early 2012 and is spearheaded by Greater Portland Inc with leadership from Intel and Metro, along with regional partners. In 2013, we made important headway on the goal to double the region's exports from $21 billion to $42 billion and retain and grow up to 103,000 jobs by 2017.

With public and private leaders uniting behind this ambitious goal, exports have already reached $33.9 billion.

2013 Year in Review:
Maintaining efficient transit of export products to Portland International Airport (PDX) is critical to our ability to maintain international business and expand exports to $42 billion by 2017. With the completion of the Westside Freight Access and Logistics Analysis in 2013, we can better address the transportation barriers in the computer and electronics sector.

To help new-to-export small and medium-size enterprises establish markets abroad and existing exporters expand their international business to new markets, we launched a case management pilot program providing tailored export market research reports as part of the Initiative's "Catalyze Under-Exporters" strategy.

One of the most powerful ways to provide export assistance to local businesses is to "Train the Trainer." Our strategy to "Enhance the Export Pipeline" did just that, with training to enable economic development professionals to provide export assistance to their local businesses.

The Greater Portland Export Initiative was highlighted as a best practice in The Metropolitan Revolution, a book by Bruce Katz and Jennifer Bradley of the Brookings Institution Metropolitan Policy Program that chronicles the successes of metro leaders across the country who face major economic and social challenges and recognize that Washington D.C. is not coming to their rescue.

The Initiative made the "Top Ten Innovations to Watch" list developed by the Brookings Institution Metropolitan Policy Program and The Rockefeller Foundation.

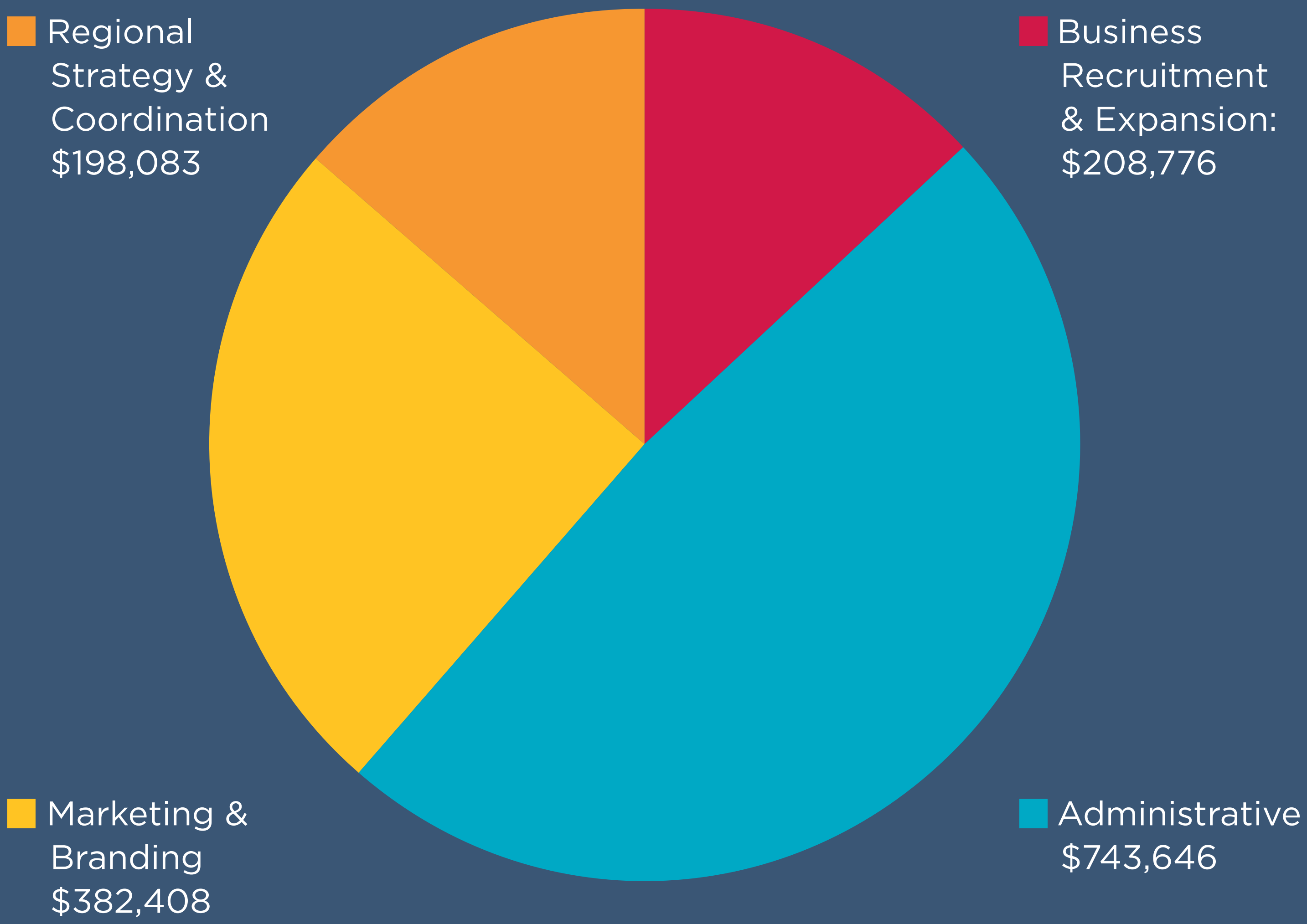
Our video highlighting the Greater Portland Export Initiative at this year's Economic Summit received acclaim from local, regional and international publications. The video can be viewed on GPI's YouTube channel at youtube.com/user/GreaterPortlandInc.

Financials

Greater Portland Inc executed on its mission and achieved significant job wins for the region in 2013. We've delivered across our annual metrics while also exhibiting outstanding stewardship of our investors' money.

	YEAR ENDING DECEMBER 31, 2013		
STATEMENT OF ACTIVITIES	**2013 ACTUALS UNAUDITED**	**2012 ACTUALS AUDITED**	**VARIANCE FROM PRIOR YEAR**
Revenues	$1,539,758	$1,603,764	$(64,006)
Expenses	$1,532,912	$1,597,761	$(64,849)
Net Income	$6,846	$6,003	$843

	YEAR ENDING DECEMBER 31, 2013		
STATEMENT OF FINANCIAL POSITION	**2013 ACTUALS UNAUDITED**	**2012 ACTUALS AUDITED**	**VARIANCE FROM PRIOR YEAR**
ASSETS	$788,144	$757,569	$30,575
Current Assets	$706,257	$711,372	$(5,115)
Fixed Assets	$81,887	$46,197	$35,690
LIABILITIES & NET ASSETS	$788,144	$757,569	$30,575
Current Liabilities	$128,104	$104,375	$23,729
Temporarily Restricted Assets	$113,374	$139,583	$(26,209)
Unrestricted Net Assets	$546,666	$513,611	$33,055



SPENDING BY PROGRAM

In 2013, Greater Portland Inc invested $1,532,912 into our four key initiatives of Business Recruitment & Expansion, Marketing & Branding, Regional Strategy & Coordination, and Administration. This chart represents the allocation of these resources.

A Look Ahead

Our work in 2014 will focus on three actions: scale, support and align.

SCALE our recruitment and marketing awareness campaign.

On the heels of the rollout of our Greater PDX mobile app, our dynamic website and digital marketing, and our expanded Faces of Business campaign, Greater Portland Inc will continue to scale our recruitment marketing awareness campaign—reaching target markets and industry executives to increase awareness of the region's value proposition for business, and sourcing more leads to expand the regional recruitment pipeline.

SUPPORT our local partners in their work to retain and expand existing employers.

Retaining and growing our region's existing employers is foundational to a thriving economy. Greater Portland Inc will continue to focus on improving access to growing international markets. Enhanced by the region's collaborative retention and expansion database program, introduced in 2012, our team will remain focused on supporting local community partners to retain and expand the companies that already call Greater Portland home.

ALIGN the region around a shared blueprint to accelerate job growth through 2020.

In 2014 Greater Portland Inc will undertake an important initiative to build a comprehensive regional blueprint that accelerates job growth through 2020. Weaving together the work of more than 100 organizations involved in economic development, we will create an aligned vision for our economic future and a results-oriented action plan that integrates global marketing and business recruitment with entrepreneurship, workforce development, infrastructure and education. This will be a significant moment for our region.

The Greater Portland region has as-yet untapped economic potential. Together—through collaboration, smart actions, focused attention, and a healthy sense of urgency—we are poised to unleash it.

CORNERSTONE INVESTORS

CAMBIA HEALTH SOLUTIONS

CITY OF BEAVERTON

CITY OF GRESHAM

CITY OF HILLSBORO

CITY OF PORTLAND

KEYBANK

MELVIN MARK COMPANIES

METRO

PORT OF PORTLAND

PORTLAND DEVELOPMENT COMMISSION

US BANK

LEADERSHIP INVESTORS

ACME BUSINESS CONSULTING

AHA!

BANK OF AMERICA

CITY OF VANCOUVER

CLACKAMAS COUNTY

COLUMBIA RIVER ECONOMIC DEVELOPMENT COUNCIL

MILLER NASH

MULTNOMAH COUNTY

NW NATURAL

OREGON STATE UNIVERSITY

OREGONIAN MEDIA GROUP

PGE

PORTLAND BUSINESS ALLIANCE

PORTLAND STATE UNIVERSITY

PRODUCE ROW PROPERTY MGMT CO

THE STANDARD

STOEL RIVES

WASHINGTON COUNTY

WELLS FARGO

ADVISORY COUNCIL

PARTNERS

Biamp Systems

CenturyLink

Chevron

Coaxis

Colliers International

Oregon Health & Science University

PacifiCorp

Schwabe, Williamson & Wyatt

TMT Development

University of Oregon

University of Portland

ZGF Architects

SPONSORS

AAA

adidas

Cascade Web Development

Portland Timbers

AMBASSADORS

CBRE

K&L Gates

Oregon Institute of Technology

PBS Engineering

Prolifiq Software

FRIENDS

City Center Parking

Trammell Crow Company

SMALL CITY CONSORTIUM

City of Canby

City of Cornelius

City of Fairview

City of Forest Grove

City of Happy Valley

City of Lake Oswego

City of Newberg

City of Oregon City

City of Sandy

City of Sherwood

City of Tigard

City of Troutdale

City of Tualatin

City of West Linn

City of Wilsonville

City of Wood Village

Columbia County Economic Development Team

Skamania County Economic Development Council

GREATER
PORTLAND

Greater Portland Inc is the regional economic development partnership helping companies expand and locate to the Portland-Vancouver area.

STAY CONNECTED TO GREATER PORTLAND INC

- Twitter @greaterpdx
- Facebook
- LinkedIn

Download our mobile app: Greater PDX

Available on the App Store

111 SW Columbia Street, Suite 830, Portland, OR 97201 | (503) 445-8065
greaterportlandinc.com | info@greaterportlandinc.com

PHOTO: Climax Portable Machines and Welding Systems