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Memorandum Date: May 6, 2009
Order Date: May 20, 2009

TO: Board of County Commissioners
DEPARTMENT: CAO/ Community & Economic Development
PRESENTED BY: Mike McKenzie-Bahr, Community and Economic Development Coordinator
AGENDA ITEM TITLE: ORDER IN THE MATTER OF RECOGNIZING LANE COUNTY'S CLEANTECH CLUSTER AS A KEY LOCAL INDUSTRY SECTOR

I. MOTION

Move to recognize Lane County's Cleantech cluster as a key local industry sector.

II. AGENDA ITEM SUMMARY

A local partnership of governmental, non-profit and private enterprises, including Lane County Community and Economic Development, has been working to facilitate the growth of local Cleantech businesses.

The next step in this process is for local government to formally recognize a local Cleantech cluster. Having a locally recognized Cleantech cluster will allow Lane County to add the cluster to the official list of Oregon clusters, which is used to allocate state and federal resources for ongoing support of cluster expansion.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Background / Analysis

The cluster approach to economic development aims to provide local businesses with strategic advantages through networking and lower costs associated with geographic proximity. Rather than focus on benefits for individual companies, cluster development aids all companies within a given cluster and supports the development of new companies, thereby increasing local job creation. A business cluster consists of a geographic concentration of interconnected enterprises, producers, suppliers, related supplementary industries and associated institutions.

The Current recognized business clusters in Lane County are

- Health Care;
- Wood Products;
- Software;
- RV/Transportation Equipment Manufacturing;
- High Tech Manufacturing.

There is also a clearly new emerging business cluster: Cleantech. Cleantech is encompassed by relatively new industries that use innovative technologies, thinking and business practices to solve critical environmental problems and create economically compelling, environmentally friendly products and services.

Cleantech is defined by the following eleven segments

- Energy Generation
- Energy Storage
- Energy Infrastructure
- Energy Efficiency/Conservation
- Transportation
- Water & Wastewater
- Air & Environment
- Materials
- Manufacturing/Industrial
- Agriculture
- Recycling & Waste

Cleantech businesses often concentrate on providing environmental and economic benefits and incorporate the “Triple Bottom Line” sustainability principle – to balance the value of economic, environment, and social benefits in their business model. Some businesses may have only a portion of their activities classified as Cleantech to begin with, but will benefit from participation in the cluster to further expand sustainable products and practices.

The identification of local Cleantech businesses began during the City of Eugene’s Sustainability initiative. In 2006, Resource Innovations at the University of Oregon compiled an initial list of businesses and non-profits involved in sustainability. Meetings were then held with the businesses to further refine what business areas those businesses were involved in.

In 2008, Lane County Community and Economic Development, working with Resource Innovations and the Sustainable Businesses MBA program Lundquist College of Business at the University of Oregon, identified more than 80 private businesses and 20 non-profits involved in Cleantech. A survey of the private businesses was conducted “with the purpose of analyzing the viability for the

further development of cleantech cluster in Lane County.” The conclusion of the survey, based on the answers submitted, found “Lane County should continue with the development of the Cleantech cluster.”

Cleantech is not a short-term business growth opportunity. This is a long-term reworking of large elements of our economy. It is a critical infrastructure industry with recognized skill shortages, caused by growing market demand for petroleum-alternative energy and sustainable products and services. Cleantech cluster workers are paid wages that meet or exceed the median hourly wage in the county, with career ladder development.

Our completed cluster formation tasks to date are:

- 1) Listing of Lane County businesses and entities engaged in Cleantech;
- 2) Survey and analysis of clean technology business activities;
- 3) Identifying local business focus areas of Recycling/Waste, Energy Conservation, Energy Production and Green Building;
- 4) Development of workshop outlines and identification of the Lane Workforce Partnership as key coordinating agency.

B. Policy Issues

Should the Board of Commissioners recognize a new local business cluster: Cleantech?

Such recognition is part of the process to earn state recognition of the business cluster.

C. Board Goals

Board of Commissioners recognition of Lane County’s Cleantech Cluster will meet the Board goal to “Develop Lane County’s economic engine.”

D. Financial and/or Resource Considerations

Currently the only financial or resource consideration is the use of Community and Economic Development staff to help cluster formation.

Recognition of the Cleantech Cluster will make it easier to apply for economic development grants that include cluster development as one of the evaluation criteria. Such grants include the Department of Commerce Economic Development Administration Economic Adjustment Assistance Program.

E. Analysis

The cluster approach to economic development is an adopted State of Oregon economic development strategy.

Lane County has an emerging Cleantech cluster which has the potential to play a key role in local economic development.

Therefore, official recognition from the Board of Commissioners and state wide agencies will help us bring additional resources to support local business development.

F. Alternatives/Options

The Board may:

- 1) Approve the ORDER recognizing Lane's Cleantech cluster;
- 2) Delay approving the Order if the Board needs additional information that could not be provided at the Board meeting;
- 3) Reject the ORDER.

IV. TIMING/IMPLEMENTATION

Recognition of Lane's Cleantech cluster at this time would allow for its incorporation into development of the Oregon Business Plan which is typically completed at the end of each year.

V. RECOMMENDATION

The Lane County Community & Economic Development Coordinator recommends the Board of Commissioners approve the motion recognizing a local Cleantech cluster.

VI. FOLLOW-UP

Staff will update the Board as the Cleantech Cluster activities continue.

VII. ATTACHMENTS

1. Board Order

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) ORDER IN THE MATTER OF RECOGNIZING LANE
) COUNTY'S CLEANTECH CLUSTER AS A KEY
) INDUSTRY SECTOR.

WHEREAS, the cluster approach to economic development aims to provide local businesses with strategic advantages through networking and lower costs associated with geographic proximity, and

WHEREAS, the current recognized business clusters in Lane County are:

- Health Care
- Wood Products
- Software
- RV/Transportation Equipment Manufacturing
- High Tech Manufacturing

WHEREAS, there is a new emerging business cluster: Cleantech, characterized by relatively new industries that use innovative technologies, thinking and business practices to solve critical environmental problems and create economically compelling, environmentally friendly products and services, and

WHEREAS, local Cleantech cluster work will lead to training that results in industry and/or educational degrees and transferable skills, and


WHEREAS, in order to progress with the establishment of a local Cleantech Cluster, we need to engage with State of Oregon, the Oregon Economic and Community Development Department, and the Oregon Business Council, and

WHEREAS, by earning recognition from Oregon Economic and Community Development Department, the Oregon Business Council and the Cluster Network Leadership Council, Lane County will be better able to participate in programs designed to promote cluster development, seek support through grants, and raise awareness of our local strengths as clean tech continues to grow as an industry sector,

Now, therefore, be it resolved that the Lane County Board of Commissioners recognizes Lane County's Cleantech cluster as a key emerging local industry sector and supports further development of programs and infrastructure to facilitate its growth.

Signed this date, May 20, 2009

APPROVED AS TO FORM
Date 5-7-2009 Lane

County

OFFICE OF LEGAL COUNSEL

Peter Sorenson, Chair
Lane County Board of Commissioners