
Oregon Capital Scan: A Line is Drawn

Submitted by:
Business Innovation Institute
Lundquist College of Business
University of Oregon

June 2014



Sponsored By:



CTC | **myCFO**

BMO  A part of BMO Financial Group

foundations 
FOR A BETTER OREGON



OREGON
GROWTH
BOARD

STEERING COMMITTEE

The Oregon Community Foundation
Melissa Freeman

Meyer Memorial Trust
Sayer Jones

Oregon State Treasury
Tom Rinehart

CTC Consulting
Jon Finney

Business Oregon
Karen Goddin, John Saris

Foundations for a Better Oregon
Sue Hildick

Oregon Growth Board
Adam Zimmerman

ABOUT THE SPONSORS

The Oregon Community Foundation

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

The Meyer Memorial Trust

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

Oregon's Office of the Treasurer

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

CTC|myCFO

CTC |myCFO is member of BMO Financial Group (NYSE, TSX: BMO), one of the largest diversified financial services providers in North America. BMO Financial Group offers a full range of wealth management products and services, including investment management, trust and estate services, and private banking. CTC provides investment advice to high net worth families, multi-family offices, trusts, endowments, foundations and pension plans.

Business Oregon

Business Oregon works to create, retain, expand and attract businesses that provide sustainable, living-wage jobs for Oregonians through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies and entrepreneurs.

Oregon Growth Board

The Oregon Growth Board was created in the 2012 Legislative Session in an effort to spur more economic growth in Oregon, with a focus on increasing the state's ability to grow companies from early stage to large, locally headquartered firms. An important focus is placed on leveraging state resources to improve the availability of capital for high-growth companies.

Foundations for a Better Oregon

Foundations for a Better Oregon was formed in 2003 by five of Oregon's leading foundations: The Collins Foundation, The Ford Family Foundation, JELD-WEN Foundation, Meyer Memorial Trust and The Oregon Community Foundation. In January 2008, The James F. and Marion L. Miller Foundation joined the FBO consortium .FBO was formed to better engage Oregon's philanthropic community in discussions about – and ultimately, solutions to – the many challenges facing our state. Member foundations have different individual giving philosophies and priorities, and their participation in FBO allows them to combine some of their resources to effect change they cannot make on their own.

ABOUT THE AUTHORS

Project Lead:

John Hull, Executive Director of the Business Innovation Institute and Asst. Dean for Centers of Excellence, Lundquist College of Business, University of Oregon. John has over twenty years of industry experience, including more than ten years of venture capital and corporate strategic investment experience based in Oregon. Hull was the first partner within Nike's Sustainable Business and Innovation (SB&I) Lab, Nike's strategic investment program. Prior to Nike, Hull was a managing director at OVP Venture Partners where he sourced and managed investments in early-stage startups for OVP fund VI (\$185M) and OVP fund VII (\$250M). Before OVP, Hull was the director of the Intel Communications Fund, a \$500M strategic investment fund. During his tenure, the fund invested in over 125 venture-backed companies. He received his MBA from the University of Michigan and his BS from the University of California at Davis. John has also earned graduate and general certificates from the NASBIC/NVCA Venture Capital Institute.

Project Team:

Dr. Michele Henney, Program Manager, Finance and Securities Analysis Center & Senior Instructor of Accounting, Lundquist College of Business, University of Oregon. 2014 Chair, Oregon Society of Certified Public Accountants. Dr. Henney earned her PhD at the University of Oregon and her MS from Golden Gate University. Her BS was earned at CSU Chico.

Nathan Lillegard, Program Manager, Lundquist Center for Entrepreneurship, Lundquist College of Business, University of Oregon. Nathan was founding CEO of Floragenex, a genomics research company based on technology developed at the University of Oregon. Nathan earned both his MBA and BA degrees from the University of Oregon

Pen Goodale, Independent Market Research Consultant, former Research Director, OVP Venture Partners, Equilibrium Capital Group and The Ascent Group. Pen brings 28 years' experience in market research and business analysis in a wide range of industries. Pen received her Master's degree in Education from Lesley College and her BA degree from Harvard University.

A student research team comprised of outstanding MBA and undergraduate business students from the Lundquist College of Business:

Gary Cooper, MBA Candidate 2015

Curtis Lloyd, MBA Candidate 2015

Kai Gerner, BS Business Honors Candidate 2015

Lawrence Lang, Dual Major BS Business Honors and Economics Candidate 2015

Josh Mazzarella, BS Business Honors, Minor in Economics Candidate 2015

TABLE OF CONTENTS

I.	INTRODUCTION	6
	WHO SHOULD READ THIS REPORT?	6
II.	FRAMEWORK	7
	GROUPINGS OF EMERGING/GROWTH CAPITAL SOURCES COVERED	7
	OREGON REGIONAL SOLUTIONS	8
III.	STAGES OF EMERGING/GROWTH COMPANY CAPITAL SOURCES	9
	BUSINESS FUNDING LADDER DEFINED	9
IV.	FINDINGS	14
	ACCELERATORS & INCUBATORS	16
	COMMERCIALIZATION GRANT PROGRAMS	22
	CROWDFUNDING	26
	SEED FUNDING AND ANGEL INVESTMENT	28
	ECONOMIC DEVELOPMENT DISTRICTS & MICRO-LOANS	30
	COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFI)	34
	NEW MARKET TAX CREDITS	36
	USDA RURAL LOAN PROGRAMS	37
	VENTURE CAPITAL	38
	SMALL BUSINESS ADMINISTRATION (SBA) LOANS	41
	TRADITIONAL SMALL BUSINESS DEBT	44
	PRIVATE EQUITY AND M&A/IPO	47
	OREGON GRANTMAKING FOUNDATIONS	51
V.	CONCLUSIONS	53
VI.	RECOMMENDATIONS	55
VII.	APPENDIX	60
	DEFINITIONS / GLOSSARY	60
	PWC BY STATE VENTURE FUNDING DATA	62
	SBA LOAN TYPE AND REQUIREMENTS	64
	USDA RURAL BUSINESS-COOPERATIVE SERVICE LOAN AND GRANT PROGRAMS	68

I. INTRODUCTION / SUMMARY

Access to capital is a common theme that arises whenever a discussion of the economic welfare of the State of Oregon and its resident businesses is held. The purpose of the ***Oregon Capital Scan: A Line is Drawn*** report is to build upon the foundational work performed in 2011-12 which resulted in the *Oregon Capital Scan: A Developing Ecosystem* report. This update of the report is meant to be a second data point in the ongoing tracking of capital availability in the State, thus with a second point, a line can be drawn identifying a trend. Published in March of 2012, the first version of the report determined, through an exhaustive set of qualitative interviews, some of the major gaps in the capital ecosystem in the State. Gaps identified were: (1) Seed Stage Capital gap; (2) Growth Capital for Bootstrapped Businesses gap; (3) Clean Technology gap; (4) Life Sciences gap; (5) Growth and Turnaround Capital gap; (6) Working Capital for Growth of Small Manufacturers gap; (7) Micro-Lending gap and (8) Non-Bank Loan Capital gap. Among topics listed for further investigation were a more detailed quantitative assessment of capital sources and amounts available including, State, Grant, Angel, and Banking Capital. It is the intention of this report to provide greater quantitative visibility into the specific flows of capital for growth and company building. In addition to the sources mentioned in 2012, this report takes a summary look at the emerging funding category of crowdfunding, a more specific look at SBA loan and commercial loan activity, and attempts to show the regional distribution of funding events across the State. It would be premature to declare any of the aforementioned gaps to have been closed. Most would agree they continue to exist. Oregon remains a place where Capital accessibility limits the rate of new company formation and growth. On the one hand, capital scarcity creates a healthy tension that ensures only the most worthy are able to move forward, but on the other hand, scarcity discourages some would-be entrepreneurs from attempting to launch. This report finds that new and growing capital sources have been flowing into the state in recent years. The capital sprinkles may be gradually turning into a shower, but they are not yet a downpour.

This work, commissioned by The Oregon Community Foundation, Meyer Memorial Trust, State of Oregon Treasurer's Office, CTC|myCFO, Business Oregon, Oregon Growth Board, and the Foundations for a Better Oregon, is a collective effort to enhance the opportunities for business formation and growth in Oregon through a better understanding of the capital sources and gaps. Entrepreneurs, business and community leaders as well as policy makers may all benefit from a greater awareness of the variety of funding sources as well as their relative scale.

WHO SHOULD READ THIS REPORT?

A number of constituencies will benefit from the information in this report. It was written with the primary intention of helping to educate entrepreneurs and growth company leaders with respect to the variety and scale of capital sources currently available in the State. It is not uncommon for those seeking to enter the capital markets as an entrepreneur to possess a limited understanding of where capital can be found. We, the authors, assert that this knowledge gap leads to a level of perceived risk uncertainty that inhibits company formation and growth. This report is not intended to instruct entrepreneurs in the skills required to secure funding, rather it is intended as a catalog of source data to enlighten as to the many different types of capital available.

This report is also intended for policy makers and those who work to support the development of a thriving growth company ecosystem in the State. This includes the sponsors of this report who seek to find new ways to bring together education and resources to enhance the ability of those who choose to build their companies in Oregon. This report can serve as a baseline of quantitative data that may help everyone to better understand where we are as a State now, with respect to the key ingredient of growth capital, and help us measure our progress and improvements over time.

II. FRAMEWORK

This report is based on a variety of datasets, both public and private. Where published quantitative data was not readily available, the research team performed qualitative interviews and attempted to assemble presentation information that would provide a picture of the scale of capital available – though these results may not represent all of the capital available in a particular segment. Readers may need to extrapolate for themselves what the full picture may look like based on representative subsets. For example, we were not able to retrieve the commercial bank small business loan totals specifically by city for every bank operating within the State of Oregon, though US Bank was kind enough to give us their detailed breakdown by city and we have included that data as an instructive example of statewide distribution trends. Further, SBA loan data sourced through the Federal SBA Portland District office is shown and contrasted with individual bank FDIC reports showing total small business loan portfolios. We believe that the SBA totals are a subset of the overall small business loan portfolios, but cannot confirm this for each bank. We sourced venture capital investment activity from three sources and find their totals to be generally in agreement on scale, though not precisely matching. Each data source provides a useful perspective and has been included for that reason. Data sources are referenced with each section and table. Where there were multiple data sets that reported on a domain, or only partial data sets, we report them together and call attention to the point.

GROUPINGS OF EMERGING/GROWTH CAPITAL SOURCES COVERED

This report will address the following segments:

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

These sources are not an exhaustive list of sources and flows of emerging growth and growth capital in the State, but will present a fair representation of the breadth of sources and, we hope, provide entrepreneurs, business owners, community leaders, and policymakers with a greater awareness of the scope and scale of capital in the state. What cannot be captured in this report is an accounting of self-funded or “friends-and-family” funded enterprises, though it is believed that they account for a significant share of small business formation in the State.

OREGON REGIONAL SOLUTIONS

Throughout this report we attempt to also present results with a view organized in alignment with the Oregon Regional Solutions framework. Oregon Regional Solutions¹ is described as an innovative, collaborative approach to community and economic development in Oregon. The state, in partnership with Oregon colleges and universities, established Regional Solutions Centers throughout Oregon. At the time of the research phase of this report, there were 5 regional solutions areas as described hereafter. Very recently, these regions were further subdivided into 11 regions that are consistent with the State's economic development districts. For the purposes of this report, the data is presented based on the former format consistent with the structure at the time period (2012-2013) analyzed. Since the data tables in this report list results by city as a subset of the regional area, it is possible for anyone seeking to align with the newer format to extract the relevant data. Oregon Solutions based on county clusters are grouped as follows:

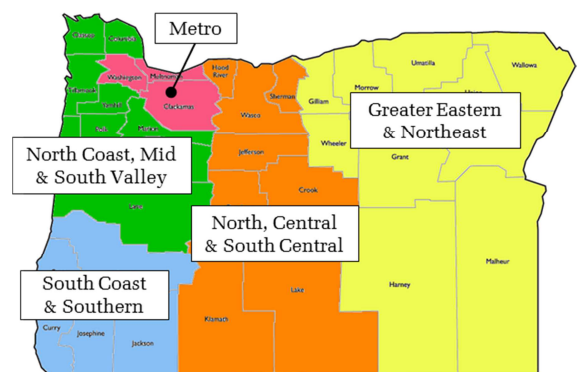
North, Central & South Central – This region includes Crook, Deschutes, Hood River, Jefferson, Klamath, Lake, Sherman and Wasco counties.

Greater Eastern & Northeast – this region includes Baker, Gilliam, Grant, Harney, Malheur, Morrow, Umatilla, Union, Wallowa and Wheeler counties.

South Coast & Southern – this region includes Coos, Curry, Douglas, Jackson and Josephine counties.

North Coast, Mid & South Valley – this region includes Clatsop, Columbia, Tillamook, Benton, Lane, Lincoln, Linn, Marion, Polk and Yamhill counties.

Metro – this region includes Clackamas, Multnomah and Washington counties.



Working at the local level, Regional Solutions Teams work to identify priorities, solve problems, and seize opportunities to complete projects. Representative members of these teams can be found on the Oregon.gov website. We hope this view provides detailed data insights which may help propel localized actions and solutions.

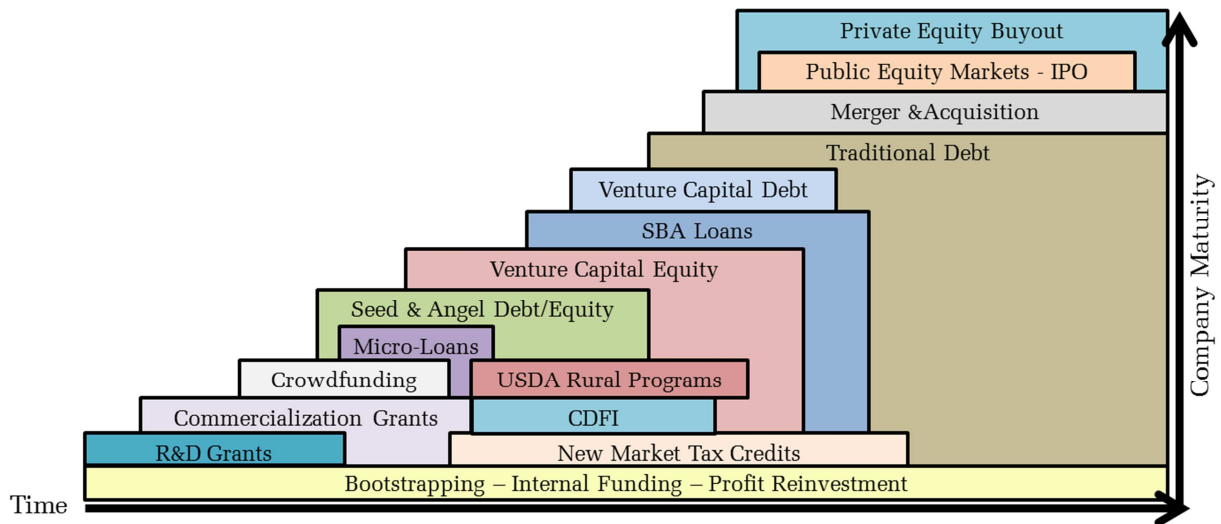
The Oregon Business Plan has developed 5 industry clusters². These are: (1) Natural Resources, (2) Advanced Manufacturing, (3) Footwear, Outdoor Gear & Apparel, (4) High Technology, and (5) Clean Technology. The data sources used for this report often did not provide sufficient clarity on industry source to easily organize the data by industry cluster. To extract this data was beyond the scope of the report and, therefore, an industry cluster analysis of investment capital for emerging growth companies is not explicitly included and could be an objective of subsequent analysis in future editions of this scan.

¹ <http://www.oregon.gov/Gov/ERT/pages/index.aspx>

² <http://www.oregonbusinessplan.org/Industry-Clusters.aspx>

III. STAGES OF EMERGING/GROWTH COMPANY CAPITAL SOURCES

FIGURE A – BUSINESS FUNDING LADDER



The State of Oregon’s growth capital ecosystem is composed of a number of providers with varying investment profiles, tools and tactics. Perhaps what is most relevant for the aspiring company builder or policy maker is that they must understand that funding a new or growing enterprise may require a *portfolio* of funding sources and that no single source will provide all the capital required. Further, because companies face differing risk profiles over their developmental lives, there will be different capital sources tailored to meet the risk profiles of companies at each stage. Included in our definitions and glossary section in the appendix to this report is a set of the capital descriptions carried forward from the 2012 *Oregon Capital Scan – A Developing Ecosystem* report. Additional capital types are introduced and covered in this report and warrant a brief description. The definitions have also been reordered to more closely match their relative place in the life-cycle of funding. Repeating a disclaimer from 2012, this section does not encompass all relevant forms of capital or providers, nor is any description intended to be comprehensive. It is meant to provide context to make this document useful for readers outside the investment space. The lines between these forms of capital are not, in practice, absolute. Rather, they form an overlapping continuum.

Business Funding Ladder Defined

As a business develops, it will move up and to the right along the continuum shown in figure A – concept we refer to as the business funding ladder. A company’s location on this continuum is not necessarily related to the age of a business. Rather, the needs for research and development, growth and expansion, and liquidity of shareholders and investors often drive the type and amount of capital needed. What has been heard from entrepreneurs within the State of Oregon has been a concern for how one moves along this continuum or “climbs the funding ladder” within the state. If any rung is missing or if entrepreneurs lack the expertise to access the next rung, then the company either stalls out or tends to look out of state for funding and may be required to relocate. While it is undeniable that Oregon has a dearth of resident institutional venture capital or private equity firms, this report evidences that many companies are succeeding in raising required capital at multiple stages of development. A greater footprint of resident capital should be encouraged by policymakers,

nonetheless, as any steps taken to reduce the challenge of fundraising would yield more start-ups, more growth companies, and greater employment as a result.

Within the business funding ladder, each type of capital fits different needs for developing a business and has different norms or requirements for accessing the capital. Highly experienced business leaders understand the unique attributes of each type and are adept at positioning their company's status and story to attract the targeted capital source. For the new business leader, the unknowns inherent in this continuum can present a very serious impediment to company growth. The question of how to better understand the differences between the capital sources and their expectations is an area for policy makers, mentors, and educators to address. In some regions of the country – the Silicon Valley being the best example – the expertise and experience with the funding ladder is almost a natural part of the atmosphere with respect to its ubiquitous availability. There, it would not be uncommon for a neighbor to be an experienced start-up CEO, a friend to be a start-up attorney, the parent of a child's classmate a venture capitalist and the person on the treadmill next to you at the health club a venture banker. In Oregon, the atmosphere of service providers and experienced role models may be less developed, but it is beginning to exist in more frequent and accessible forms. The recent rapid growth in incubators, accelerators, and educational forums for entrepreneurs is lowering this knowledge hurdle. Still, more can be done to encourage those who might start and grow a business – and keep it – in the State of Oregon. In the paragraphs that follow, we identify the rungs on the funding ladder and attempt to briefly outline some of the norms or expectations that should be addressed by those seeking funding as they approach the representatives who control these capital sources. Being prepared and attractive, in the context that each form of capital anticipates, increases the likelihood of a productive engagement. Moving from the bottom of the diagram and upwards to the right, one can understand how various forms of capital address the needs of businesses and provides context for the resources discussed within this report.

Bootstrapping/Internal Funding/Profit Reinvestment is the most fundamental tool for business funding available. The primary principle of 'picking yourself up by the bootstraps' and building a business based on the profit available from operations is as old as commerce itself. Most companies have at least some level of this type of funding in their history. Many companies may exist for years with only this type of internally sourced funding, while others use this stage of development as a foundation for later gathering of larger amounts of capital. This type of funding is very difficult to track as it is not typically reported to any agency or data aggregator. However, one can assume that if an entity seeks any of the other types of capital covered within this report, there is some level of Bootstrapping or Internal/Founder funding in place. There is no special requirement to be attractive to this type of financing other than to be ready to take on the personal risks of starting a company and having personal or close family capital in sufficient quantity, and perhaps, the personal charisma to convince yourself, your friends, and family that you are less of a risk than you most likely are.

Grant Funding (R&D and/or Commercialization) Grant funding is typically focused on technical businesses developed within the context of an academic or research institution. These types of grants are usually targeted to fund a specific technical milestone related to the development of a business. This type of targeted funding is vital for advancing research based enterprises. However, it is difficult to build a company on grants alone. Typically only 7% of a SBIR grant is available for non-grant related activities, limiting the utility of this type of funding to support general business development efforts. ONAMI and Oregon BEST, two of Oregon's Signature Research Centers have commercialization grant programs whose policies vary, but are typically targeted in a similar way. An entrepreneur needs to consider the strategic mission of grant making organizations when considering fit and the milestones that might be reached given various levels of funding. Researching grants previously made to other entities can offer quality insight into the type, stage, readiness, team, and technologies that are of interest to the grantor. One should also understand where the grantor is within their cycle of funding and receptiveness to new projects.

Crowdfunding is an emerging category of business funding enabled by the growth of web-based platforms serving as a broker between those with product or service ideas and potential supporters. Typically, a crowdfunding campaign is conducted to gather funds for an idea in the form of pre-orders for a product and related ‘rewards’ for financial supporters. Many times, the proceeds of a campaign are used to actually create a first run of products or advance from early prototype to commercial scale. While there are many success stories in this domain, companies attempting this must also beware of the fees taken by the crowdfunding companies and the obligations for delivering products to a potentially global set of customers. Artful and inspiring presentation of the concept – typically in the form of a video hosted on the crowdfunding website – can be a key to a successful campaign as is regular updates and communications sent to those who commit support. While the costs of video production have fallen to a point where almost anyone with a computer can technically produce a suitable piece, there remains great skill and art required in creating a message that inspires individuals to back a project. For those who are new to the medium, it would be wise to review successfully funded projects on crowdfunding websites and possibly contact their producers to get a better understanding of the best known methods.

Seed/Angel Debt & Equity typically very early stage and smaller in size than venture capital is seed/Angel funding that may be offered in the form of debt that is convertible into equity at a later date. Accessing this form of capital typically requires the proper introduction to one of the many Angel networks or conferences in the State. This form has become more widely available in Oregon since the last Oregon Capital Scan report was published. In the prior report, access to seed and Angel funding was highlighted as a significant gap.

Micro-Loans are typically utilized in small enterprises such as food ventures, retail, and simple services businesses. These loans are generally less than \$25,000 and typically are secured by assets of the business principal. Micro-Loan activity is important for early development of businesses that have a clear path towards self-supporting revenues that can repay the loan. Here, as is true of other forms of capital, those seeking funds need to research and understand the mission of the entity providing the loans in order to ascertain strategic fit. Asking for examples of other recently made loans and getting in contact with other recent recipients of loans is a way of learning what has been successful before and how to present your funding needs in a way that will resonate with the source.

CDFIs, which is an acronym for Community Development Financial Institutions, are a Federally backed program empowering individual CDFI organizations. The purpose of the CDFI Program is to use federal resources to invest in CDFIs and to build their capacity to serve low-income people and communities that lack access to affordable financial products and services. Through the CDFI Program, the CDFI Fund provides two types of monetary awards to CDFIs - Financial Assistance awards and Technical Assistance awards. CDFIs may use the funds to pursue a variety of goals, including: To promote economic development, to develop businesses, to create jobs, and to develop commercial real estate; to develop affordable housing and to promote homeownership; and to provide community development financial services, such as basic banking services, financial literacy programs, and alternatives to predatory lending. Since 1994, the CDFI Fund has awarded more than \$1.3 billion in FA and TA awards through the CDFI Program³.

New Market Tax Credits The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 39 percent of the

³ <http://www.cdfifund.gov/>

original investment amount and is claimed over a period of seven years (five percent for each of the first three years, and six percent for each of the remaining four years).⁴

USDA Rural Development fills a very critical gap in business technical assistance and funding through a variety of programs in rural Oregon. “Rural” is defined as any metropolitan area with fewer than 50,000 residents – so the vast majority of Oregon is considered to be rural. USDA Rural Development provides grants, micro-loans and loan guarantees as well as job training and business development opportunities for rural residents, including cooperative business development, community economic development and strategic community planning and faith-based and self-help initiatives. Funding for most of these efforts is administered by USDA Rural Business Programs. Rural Development also offers programs to provide the educational opportunities, training, technical support, and tools for rural residents to start small businesses and to access jobs in agricultural markets, the green economy, and other existing markets, as well as acquire training in vocational and entrepreneurship skills they can use in the marketplace and business sector⁵.

Equity Funding ranging from seed stage for very early stage companies to institutional venture capital (VC) for high growth opportunities is an important tool for business growth. Typically, investors focus on companies with very high growth potential and liquidity opportunities in a short time window. This type of funding is vital for a healthy business ecosystem because it keeps capital circulating and growing in the region. As investors gain liquidity from an investment, those dollars are often reinvested in other startups. Additionally, growth companies that receive later stage venture capital bring capital into the local economy that supports employment and operations locally. While not all equity funding comes from VCs, the term “VC money” is typically the short-hand language attached to company funding conversations. Because of this generalization, VC money’s suitability to any particular project is often misapplied by the inexperienced business person. VCs fund only a small minority of companies in any region, a fact demonstrated in the totals shown in this report. To be attractive to this capital source, it is advisable to truly understand how your business compares to other venture backed entities, how venture funds work, and to have the right expectations for sharing ownership, control, and the future path of your company with professional investors. Finding a mentor who has experience with raising equity capital and managing a venture-backed company is a must. Brad Feld, of the Foundry Group, has written a very informative book on the subject entitled: *“Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist”*, published by Wiley, that is a good starting point for understanding this capital source and the standard business practices. Most equity funding is designed to be applied in “rounds” or tranches of investment that is tied to the achievement of meaningful developmental milestones. To achieve a single round of start-up funding is but a step in a journey where failure to reach the next milestone can mean the end of a company. Understanding what makes for reasonable milestones worthy of raising subsequent rounds of equity funding will be expected knowledge for the entrepreneur when seeking funding. While it is typical for a VC to participate in future rounds of funding, it is industry common practice to seek a new investor to join the syndicate in each round in order to expand the capital available to the company and validate the market pricing of subsequent rounds. Failure to understand and manage this process can reduce a founder’s equity share to a negligible amount or cause the company to fail outright.

SBA Loans fill an important gap in the funding continuum for businesses that have capital needs but lack the history of operations and/or financial stability to be fully ‘bankable’. These loans typically go to businesses to grow employment and operations and require some evidence of business momentum and credit worthiness which defines ‘bankability’. The SBA’s guarantee allows funding banks to take on slightly more risk than they may otherwise accept, but they will still require a threshold of credit worthiness be attained. The impact of SBA guaranteed loans is felt across regions and industries as a viable tool for growing a small business with debt financing. The SBA has a Portland district office

⁴ <http://www.cdfifund.gov/>

⁵ http://www.rurdev.usda.gov/OR_Home.html

and there are numerous resources available on their website to assist a prospective borrower to assess their fit with the programs. Many Economic Development District offices also help package SBA loans.

Venture Debt often accompanies venture capital equity investments and provides leverage to those investments. Companies utilizing Venture Debt are typically focused on rapid growth and at a later stage of development but may be collateralized-asset poor relative to traditional debt funding. There are a relative few dedicated venture debt lenders and most of them pursue close relationships with equity venture capital firms, often having several common portfolio companies. It is this portfolio approach that lowers the risk of default on any individual transaction as the broader relationship over several companies assures every effort is made to support and remedy any single company facing default. The best way to access this type of funding is to develop relationships with regional venture funds and other companies who have already raised capital through this channel.

Traditional Debt is a tool for business of all types. Banks and other lending institutions support a wide range of options for companies to use. These products include working capital loans, lines of credit, and equipment financing. While this is a vital piece of the funding puzzle, traditional lenders are not available to many early stage companies that do not meet the stricter lending requirements of commercial banks. For growth stage companies with the ability to collateralize their loans, traditional bank debt instruments can provide growth capital at a relatively low cost of capital.

Mergers and Acquisitions (M&A) represents both a funding source for growth and an opportunity for entrepreneurs and investors to gain liquidity. The sale of a company whole or in part to another business is generally a positive event. The scale of M&A activity ranges from small deals between local companies to global transactions between huge corporations. Frequently a specialty M&A investment bank firm is hired to assist in the search and match-making function of an M&A transaction or is brought in to help negotiate an unsolicited bid. Selection of knowledgeable partners is often a key component of a satisfying transaction.

Initial Public Offering (IPO) has traditionally been the ultimate goal of a venture capital funded company. While the regulatory hurdles to achieving an IPO are significant, companies can access public markets in a variety of ways. This type of funding is typically accessed following significant previous rounds of venture capital investment.

Private Equity buyout or investment is a proven path to liquidity and/or growth capital for mature stable businesses. Private equity (PE) investments can span all sectors and industries and often represent an exit or liquidity event for shareholders in a company. Private equity capital is global and seeks returns in sectors and markets focused on steady growth. Private equity firms possess some similar qualities with venture capital firms and business owners looking to access this form of capital must, like VC channel, ensure they fit the profiles of what the PE firm is seeking for its portfolio. Again, one of the best paths for learning about this form of capital is to seek out mentors with previous experience with the form and deep research into the PE firms of interest to assess their stage, health, preferences, reputation for successful relationships with company leadership, and their track records of financial success.

All of the above capital source types have a series of stage-appropriate norms and regular deal sourcing and validation channels that the entrepreneur would be well served to study and conform to during their funding process. The simple truth is that each of these funding sources regularly reviews vastly more potential investments than they have an appetite to consummate. Any prospective investee that is non-conforming to the preferred profiles of investment is quickly dismissed as overly risky by virtue of their lack of knowledge. As in the real estate market, much can be said for understanding the “comparable transactions” and knowing your buyer’s needs.

IV. FINDINGS

Table 1

Aggregated Oregon Capital Scan Data 2012 and 2013 <i>(unless otherwise noted)</i>												
	North, Central & South Central		Greater Eastern & Northeast		South Coast & Southern		North Coast, Mid & South Valley		Metro		Totals	
	# of Deals	Total (\$M)	# of Deals	Total (\$M)	# of Deals	Total (\$M)	# of Deals	Total (\$M)	# of Deals	Total (\$M)	# of Deals	Total (\$M)
SBIR/STTR	4	\$1.7	*	*	9	\$1.2	46	\$20.9	91	\$45.4	150	\$70
ONAMI & Oregon BEST	\$2.9M <i>(aggregate commercialization grants)</i>											
Kickstarter (2013 only)	20	\$0.8	2	\$0.01	25	\$0.04	69	\$0.9	417	\$5.0	533	\$7
Angel/Seed Conv. Debt	5	\$1.2	*	*	2	\$0.3	4	\$3.4	83	\$47.2	94	\$52
Eco Dev / CDFI / USDA	\$61.2M <i>(aggregate)</i>											
Venture Capital	*	*	*	*	4	\$29.4	*	*	49	\$299.4	53	\$329
Venture Debt	5	\$2.5	*	*	*	*	4	\$0.3	43	\$33.7	52	\$36
Private Equity	2	\$27.8	*	*	*	*	2	\$26.3	13	\$375.6	17	\$430
M&A, IPO	4	n/a	*	*	2	n/a	15	n/a	73	n/a	94	n/a
Unattributed	7	\$1.6	1	\$3.8	1	\$0.1	8	\$4.0	60	\$285.9	77	\$295
SBA Loans	123	\$35.5	45	\$43.6	185	\$51.0	312	\$128.3	835	\$352.6	1500	\$611
Traditional Small Business Bank Loans ⁶	50,469 deals / \$6,178M <i>(36 regionally focused banks reporting)⁷</i>											
Top 40 Oregon Philanthropic Foundations	\$236.9M <i>(aggregate per annum Grants in most recently published data)</i>											

Sources: CB Insights, Kickstarter, US Small Business Administration, USDA, IRS, ONAMI, OregonBEST, FDIC, FoundationCenter.org

* Value of zero or no reported data; n/a for M&A as transaction values undisclosed

In the following sections of this report we present primarily quantitative assessments of the flows of various forms of capital in the State during the 2012-2013 calendar year time period – the time period that extends beyond where the last report ended and current enough to be informative, but historical enough to allow for the accumulation and comparison of data across all capital types. Where data stretching back further or more recent anecdotal information adds perspective to the conclusions we include that additional data. The summary table represents the cumulative data sets from throughout the report in a single presentation. The reader should use caution in reviewing this summary as there includes a mix of time periods and, in some cases, aggregated data is shown where regional breakdown was unavailable. Do not attempt to add up all the rows for a total as this would be mixing of complete and incomplete data as well as mixing some time periods. For example, the Kickstarter

⁶ Small business definition varies by company size, all loans reported here were less than \$1 million original principal. See footnote 17 for source of small business definitions.

⁷ Does not include loan data from Bank of America, Wells Fargo, US Bank, or KeyBank as we could not parse out their Oregon versus non-Oregon loans. US Bank's Oregon only loan portfolio was reported directly by US Bank as equal to 32,629 loans totaling \$869M.

data represents only a single year, 2013, and only one of many crowdsourcing companies whereas the SBA loan data represents all sources for the combined 2012 and 2013 time period. The table is best used as a way to understand the relative scale and variety of funding sources available within the State.

In the following pages we examine each capital source in more detail, including a regional, county or city breakdown where possible. The capital sources that follow are not a comprehensive list of all possible funding sources in the State. In fact, during our research we uncovered intriguing stories of creative financing examples which used a portfolio of sources, some typical and others atypical, to achieve a company's required capital needs. An illustrative example of an atypical format is that of the Rough & Ready sawmill in Cave Junction. An excerpt of the story published by Molly Young reporting for the Oregonian in March of 2014 illustrates the financing structure used.

A Josephine County sawmill will reopen nearly a year after it closed, adding back dozens of jobs to a pocket of rural Oregon where one in 10 are out of work.

The restart of Rough & Ready Lumber will cost taxpayers \$5 million, as part of a deal announced Friday by Gov. John Kitzhaber. Local officials say the economic impact of a buzzing Cave Junction mill will spread throughout the Illinois Valley. Rough & Ready was the last sawmill operating in Josephine County. The industry employed 25,400 people statewide in 2012, half as many as in 1992.

By April 2013, the third-generation family business could hold out no longer. Co-owners Link and Jennifer Phillippi said supply, not demand, delivered the final blow. The Phillippis said Rough & Ready couldn't get the volume of logs it needed to meet customer demand. The mill's closure left 88 people out of work. Almost immediately, [Governor] Kitzhaber dispatched a team of advisers to look at ways to restart production, Link Phillippi said. Talks centered on Rough & Ready's small-log mill built in the 1970s. It operated for a handful of decades, but shut down amid economic uncertainty in 2002. Link Phillippi said the business just couldn't justify the capital investment costs needed to keep the small mill running. Link Phillippi said upgrading its small-log mill will allow the business to cut a wider range of logs, while still working with many of the former customers.

The Governor's Strategic Reserve Fund will loan \$1 million, with all but \$250,000 of the loan to be forgiven if the company creates 60 full-time jobs. The \$4 million remainder of the funding comes from both state and federal New Market Tax Credits earmarked for development in distressed areas. Ecotrust CDE funneled the cash to Rough & Ready after selling \$8 million worth of state tax credits and \$10 million in federal tax credits at a discount to JPMorgan Chase.

Many entrepreneurs may not imagine creative financing structures like the one used by Rough & Ready, but they should understand that structures other than traditional venture-backed formats exist and can be used to great advantage. For policy-makers and investors, this example of creativity is an excellent example of the portfolio approach to company financing.

Our detailed examination of the more typical funding sources begins here and follows a progression similar to the business funding ladder described earlier.

ACCELERATORS & INCUBATORS




An area of rapid expansion in the State of Oregon over the past 5 years, and a significant change since the last Oregon Capital Scan report, has been the field of new business Accelerators and Incubators. While opinions on what qualities differentiate an accelerator from an incubator vary, most would agree that an incubator is generally focused on an earlier stage of company development needs versus an accelerator, whose purpose, like its name implies, is to add mentorship, collaboration, and other resources in order to speed up the development timeline of an emerging company. Often that acceleration can be as much toward the furthering of the growth of the business as it can be toward determining that the idea does not have sufficient merit to continue and its founders should wind down the effort in favor of a new concept.




Capital resources available to companies in accelerators and incubators can typically take the form of in-kind capital resources and occasionally equity or loans. Reduced rents, volunteer mentorship, pro-bono service provider offerings, business strategy consulting, and marketing assistance are common though not ubiquitous. In emerging growth companies, it can be said that “time is money” and the assistance provided by the accelerators and incubators can translate to a lower capital cost to launch an enterprise.

While cash investment is less frequent, we view accelerators and incubators as a frequent on-ramp point for start-up companies into the capital ecosystem. Many Angel groups and seed funds are intertwined with accelerators and incubators in Oregon and, therefore, a reporting of the various entities is an integrated part of any capital ecosystem accounting.







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

Table 2: Accelerators, Incubators, Workspace, Business Resource Providers in Oregon

Entity	Type	Description	City
 <p>business oregon where business grows Grow Oregon http://www.oregon4biz.com/Grow-Your-Business/Business-services/Grow-Oregon/</p>	A	The state's Grow Oregon Program focuses on the concept of economic gardening, and is administered by the Oregon Small Business Development Center Network (OSBDCN). The program uses teams of highly experienced business advisors who can help assess your current business and provide tools to create sustained growth.	Salem
 <p>CAMBIA HEALTH SOLUTIONS Cambia Health Solutions www.cambiahealth.com</p>	A	Cambia is a nonprofit total health solutions company dedicated to transforming the way people experience the health care system. Cambia's portfolio of companies spans health care information technology and software development; retail health care; health insurance plans that carry the Blue Cross and Blue Shield brands; pharmacy benefit management; life, disability, dental, vision and other lines of protection; alternative solutions to health care access; and free-standing health and wellness solutions.	Portland
 <p>COE Center of Excellence Global Business Development www.coeglobal.com</p>	A	The COE's full suite of services addresses every aspect of the product engine development process, from concept design to development engineering and production. The material toolkit provides resource access to facilitate commercialization, and is complemented by extensive business network services. The COE works with clients from the initial concept stage through product delivery, developing customized programs based on client needs and requirements.	Portland

Entity	Type	Description	City
 <p>FOUNDERS PAD FOUNDERS HELPING FOUNDERS Founders Pad www.founderspad.com</p>	A	FoundersPad supports entrepreneurs with top-quality programs based on evidence-based entrepreneurship (data and metric driven) and Lean Startup principles. We incorporate leading-edge methodologies into our focused, mentor-led programs that are designed to help entrepreneurs understand and engage with their customers, adapt and learn how to develop a scalable business model and accelerate growth trajectory in the marketplace. We are motivated to help promising software startups turn innovative ideas into market-leading companies.	Bend
 <p>Gorge Innoventure www.gorgeinnoventure.com</p>	A	Gorge Innoventure is a business accelerator that helps growth startups and expanding companies connect to the resources they need to be successful and create jobs.	Hood River
 <p>Hive at The Leftbank Project www.leftbankproject.com</p>	A	Where work meets community and community sparks collaboration, the Hive at Leftbank offers a new way of working. The Hive is at the heart of Leftbank, a few steps from the lobby and the Café, but contained soundly as its own place. Hive membership includes your own personal workspace and access to a bevy of amenities and resources. Settle into a dedicated desk crafted of salvaged tropical hardwood, a lockable filing cabinet, a coat locker, and access to the Hive's kitchenette, copy/print room and two conference rooms. You'll also have access to Leftbank's showers and locker rooms, expansive indoor and covered outdoor bike parking, common areas and gathering places. Membership costs \$365/mo. and gives you free reign any hour of the day, any day of the week.	Portland
 <p>Oregon State Advantage Accelerator www.oregonstate.edu/advantage/venture-accelerator</p>	A	The Oregon State University Advantage Accelerator brings cutting edge ideas to market by connecting innovators and entrepreneurs to the resources they need for success. We assist technology-based early stage companies from the mid-Willamette Valley and extended Oregon State University community. Our staff, mentors, and student interns will work with you during all phases of the commercialization process. We will assist you in exploring markets, products and customers for your products. Additionally, we will help refine your concepts to build a viable business model. Finally, we will assist the launch of your venture with a robust long term growth strategy. Contact us today and get started!	Corvallis
 <p>Portland Incubator Experiment www.piepdx.com</p>	A	Since 2009, PIE has helped host, accelerate, and mentor more than 40 startups. Each of these companies remains connected to the program as part of our mentor network. Located in the Wieden + Kennedy HQ building in Portland's Pearl District, W+K helps PIE startups to shape their brands and tell their stories.	Portland
 <p>Portland Seed Fund www.portlandseedfund.com</p>	A	The Portland Seed Fund is a privately managed fund and non-resident accelerator focused on providing emerging companies the capital, mentoring, and connections to propel them to the next level. Our proven 90-day mentor-led program works: Over the last two years, our first 36 companies have collectively raised \$23M in outside capital and created more than 200 jobs.	Portland
 <p>Portland State Business Accelerator www.pdx.edu/accelerator</p>	A	Located just south of downtown Portland between the Portland State University district and South Waterfront, the Business Accelerator is home to 30+ startup companies in technology, bioscience, and cleantech. Together, they have raised more private angel and venture capital the last three years than any other location in Oregon. The Business Accelerator speeds the success of these high-growth companies by providing resources, connections, expertise, University support, and control of high-impact costs, all within a growth-focused entrepreneurial community. Data shows that companies growing in this type of environment are four times more likely to succeed.	Portland

Entity	Type	Description	City
 <p>RAIN Eugene Accelerator www.raineugene.org</p>	A	<p>The Regional Accelerator & Innovation Network (RAIN) Eugene Accelerator offers a 12-week program offering intense training and mentoring to early growth-stage companies in and around Eugene, Oregon twice a year. The Eugene Accelerator is focused on helping high impact, innovative, traded-sector companies that can grow and thrive in the region, ones ready to move beyond incubating their ideas and accelerate them into realization. We do this by bringing talent, experience and a network of connections together to help you refine your ideas into compelling action.</p>	Eugene
 <p>Sustainable Valley Technology Group www.svtg.org</p>	A	<p>Sustainable Valley Technology Group is an economic development initiative founded to create a more prosperous economy in Southern Oregon. Sustainable Valley is an independent non-profit organization. Sustainable Valley started a business accelerator to support the growth of innovative, start-up companies in Southern Oregon. Sustainable Valley receives funding or donations from the State of Oregon, Jackson County, Medford Urban Renewal Agency, Meyer Memorial Trust, the Oregon Community Foundation and other foundations, agencies and businesses. - See more at: http://www.svtg.org/about-us/mission/#sthash.a15niOM5.dpuf</p>	Medford
 <p>TenX www.tenx.org</p>	A	<p>TenX.org is an open source-style startup accelerator that provides content, events, conferences & learning programs to generate growth & acceleration for high potential organizations & individuals. TenX's Sprint and Marathon programs are structured to support founders and business leaders in tackling developmental milestones starting from \$0-\$100K, and accelerating to \$100K-\$1MM+.</p>	Portland
 <p>Upstart Labs www.upstartlabs.com</p>	A	<p>We partner with innovative software companies to launch new products and build market momentum. We apply an expert team, Lean Startup processes, and proven market entry tools to accelerate product-market fit and drive revenue for our clients. Though closed in 2013, Upstart Labs was open during the time window covered in this report.</p>	Portland
 <p>CLIMB Center for Advancement Continuous Learning for Individuals, Management & Business Climb www.pcc.edu/climb</p>	B	<p>CLIMB delivers professional training and business development, backed by the experience PCC. Whether you are a small business owner, a student, or an individual trying to break into the healthcare industry, the team at the Portland Community College - CLIMB Center is here to help you! CLIMB is an acronym that stands for continuous learning for individuals, management, and business. We are a division of Portland Community College and a small business development center that is dedicated to helping both new and veteran members of the workforce meet their goals and enhance their business.</p>	Portland
 <p>BUZgate www.buzgate.org</p>	B	<p>BUZGate.org is an award-winning entrepreneurial education and resource community serving small and medium-sized businesses. Content promotes awareness and access to free government and nonprofit assistance programs and select business-to-business products and services tailored to driving venture startup, growth and profitability.</p>	State-wide
 <p>Oregon Innovation Center www.innovationcenter.org</p>	B	<p>The Innovation Center is a non-profit think tank. Since 1990, the Innovation Center has been helping individuals and organizations discover and launch their future through creativity and innovation.</p>	Bend

Entity	Type	Description	City
 <p>Springboard Innovation www.springboardinnovation.org</p>	B	Since 2004, we have helped (extra) ordinary citizens design and launch sustainable, innovative solutions to local and global challenges. Ten years ago the term “social entrepreneur” was barely recognized. Social enterprise, social business, hybrid change organization, financially sustainable not-for-profit... call it what you will, they are better models for leading change – making a living while making a difference – and a vision for a new economic model. Affiliated with HATCH Portland.	Portland
 <p>Oregon Association of Minority Entrepreneurs www.oame.org</p>	I	The Association is a partnership between minority entrepreneurs, education, government, the community and businesses. The mission is directed toward eliminating discrimination and racism. The delivery mechanism of OAME Center services is: Incubator With and Without Walls. OAME established its core services as follows: Technical Assistance, Access to Capital, Matching Capability with Opportunity (Clearinghouse), Administrative Services, Information and Networking, Incubator With and Without Walls.	Portland
 <p>Bend Outdoor Worx</p>	I	Modeled after FoundersPad, Bend Outdoor Worx seeks to provide incubation and services to emerging growth companies creating Athletic and Outdoor products based in Bend.	Bend
 <p>BESThq www.besthq.net</p>	I	Beaverton's Business Executive Sustainable Training Headquarters (BESThq) is built on a foundation of relationship, empowerment, and inclusion. A business incubator, our mission is to support in the sustainable growth of businesses. Our primary focus is providing the support and resources for entrepreneurs to establish and grow their companies, in addition to providing workspace and management and leadership training. BESThq serves as not only a practical office building, but as a hub for collaboration and services needed to grow local small businesses into successful, sustainable, and profitable businesses.	Beaverton
 <p>BridgeLab @ PNCA www.pnca.edu/programs/bridgelab</p>	I	BridgeLab is PNCA's new entrepreneurial resource and development program for creative people. We offer right-brain thinkers like you education and support in business essentials from budgeting and contracts to marketing and taxes. With programs for students, alumni, and the greater community of artists, designers, and makers, we help you thrive as a creative professional at every stage in your career.	Portland
 <p>Fertilab Thinkubator www.fertilabthinkubator.com</p>	I	The FertiLab Thinkubator is a nonprofit network that empowers entrepreneurs in Lane County, Oregon by providing coworking and business incubation space alongside mentorship and educational programming. We serve companies and individuals across a wide range of industries, with a particular interest in reaching the biotech community with our lab facilities and equipment.	Eugene
 <p>a community innovation lab Hatch Portland www.hatchthefuture.org</p>	I	Hatch offers mentorship, consulting, and peer support to entrepreneurs at the often isolated edge of purpose and profit. It hosts workshops and forums that grow and support benefit companies. It facilitates professional services geared toward mission-driven organizations. It offers an array of multi-purpose spaces for lease: offices, conference room, fireboxes, and educational spaces—kitchen, indoor garden, and classroom. It hosts events to bring in the non-tenant community.	Portland
 <p>Hatch @ Sprout www.sproutfoodhub.org</p>	I	Hatch@Sprout! is a business incubator focused on the needs of the food industry in Lane County. It provides technical assistance, one-on-one help, group education workshops, affordable office space and access to financial resources. The Willamette Valley is filled with an amazing array of agricultural products and adventurous consumers who love to try new offerings.	Springfield

Entity	Type	Description	City
 KitchenCru www.kitchencru.biz	I	KitchenCru is a shared use community kitchen and culinary incubator. So, just what is a culinary incubator? Our mission is to support culinary based entrepreneurs in developing, operating, and growing a successful business. We aim to break down primary barriers to success by providing access to a fully equipped licensed commercial kitchen and private event space, as well as support services and business development guidance for our clients.	Portland
 Oregon Technology Business Center www.otbc.org	I	OTBC, the Oregon Technology Business Center, is a non-profit tech startup incubator that provides coaching, networking events, entrepreneurship programs, and shared office space to help tech, biotech, cleantech, and opentech start-up ventures. We can help you: Avoid common problems in setting up your company. Validate your market and business model. Protect your IP. Develop your business plan. Get your company investor-ready. Close an investment round. Set up effective start-up operations to help you execute to plan. Find people for your team. And grow your start-up into a successful company.	Beaverton
 OTRADI Bioscience Incubator OTRADI www.otradi.org/incubator	I	The OTRADI Bioscience Incubator (OBI) is Oregon's first bioscience-specific accelerator. The OBI provides scientists and young companies with the resources and expertise needed to take their research from the lab to the market.	Portland
 Produce Row: Startup PDX www.producerowpdx.com	I	Produce Row is a network of entrepreneurial minded companies located in the Central Eastside Industrial District. Driven by creativity and innovation, companies in this area seek to grow not only in size but in ideas, products, and services. Our goal is to bring together creative, entrepreneurial and innovative businesses of the Central East side Industrial District to work together towards a common goal. We believe that collaboration leads to innovation. As this area grows and companies continue to thrive, we can shape the personality of our neighborhood and create an identity unique to Portland.	Portland
 StarveUps www.starveups.org	I	Starve Ups is a virtual incubator and accelerator with its cornerstone as peer mentoring, which is exactly what Starve Ups stands for, excels at and focuses on as a group. Now, after 13 years in existence we are further taking "proven peer mentoring for founders" to an even higher level. In turn Starve Ups is now made up of the SURVIVE, STRIVE and THRIVE groups.	Portland
 TiE Westside Incubator	I	The TiE Westside Incubator is a program designed to accelerate the successful development of member companies. An array of support services, developed by TiE Oregon, will be offered to entrepreneurs renting space in the incubator both on site and through its network of contacts. TiE will also have pitch sessions where members can pitch their ideas to angel investors. In addition to the space, each person joining the incubator will be assigned an individual Charter Member to work as a contact person and mentor for their startup.	Hillsboro
 TiE Pearl Incubator at iSite www.tiepearl.com	I	Working from TiE Pearl gives you access to TiE, a global community of over 5,000 investors and startups. The incubator space is located within the offices of ISITE Design, a leader in the design and development of digital experiences. TiE Pearl has 24 desks, dedicated internet access, two conference rooms, two ping pong tables, and offers access to mentors including leading local entrepreneurs and investors from companies such as Monsoon, First Insight Corporation and Voyager Capital.	Portland
 Riverfront Innovation Center www.researchpark.uoregon.edu	I	The Riverfront Research Park project is a cooperative effort of the University of Oregon (UO) and private developers to build a research park on a state-owned site adjacent to campus on the south bank of the Willamette River. The Park provides a master-planned setting for approximately one million square feet of development, where knowledge-based businesses and organizations can start and grow in close proximity the well-respected research capabilities of the university.	Eugene

Entity	Type	Description	City
 FreeRange PDZ www.freerangepdx.com	P	We are FreeRange PDX, the snappy new cousin of Leatherman and LED Lenser. We're an idea shop, a product laboratory. Our job is to find and develop product concepts, pulling, shaking and easy-baking them until we find the next big Wow. Our method is equal parts courage, creativity and agility. We believe that underneath every solution is a better solution and we're not afraid to find it. We accelerate and juke. We experiment and validate at furious clip. If it doesn't work, we move on.	Portland
 ADX www.adxportland.com	P	What is ADX? A Maker Space. It's what shop class should have been. Want to make something? We're your gym for a better kind of workout. Everyone is welcome—in our 12,000-square foot facility, high-profile designers work alongside students, retirees share their knowledge with novice builders, and entrepreneurs mix with hobbyists. We give you access to the tools, the space, and the community to help you create anything you dream up.	Portland
 Forge Portland www.forgeportland.org	W	Forge Portland is a shared workspace for nonprofit and social enterprises in Portland, Oregon. As a forerunner in the next generation of shared workspaces, we are actively recruiting innovative organizations with common objectives and challenges to promote a synergistic workspace. Forge offers our members a suite of free business and organizational tools, so our members can spend their time focusing on more competitive business strategies and better serve their individual mission statements.	Portland
 NedSpace www.nedspace.com	W	14,000 square feet of office space in the heart of downtown Portland for co-working, startups, entrepreneurs and remote workers. Startups launched and funded inside NedSpace have raised well over \$55 million dollars include: Puppet Labs, POWR, Second Porch, SweetSpot Diabetes, App Thwak, Wikisway, Gadgetrak, Paydici, JourneyGym, CarDelMar, Giving-Sphere, Greenleaf Juicing Company, BikeCop, Portland Ten, WelVu and Top Level Design	Portland
 Regus www.regus.com	W	National workspace service provider. Offers a variety of a la carte workspaces, co-working facilities and business resources.	Beaverton Clackamas Lake Oswego Portland Tualatin

Key:

A = Accelerator

B = Business Resource Provider

I = Incubator

W = Workspace Resource Provider

COMMERCIALIZATION GRANT PROGRAMS

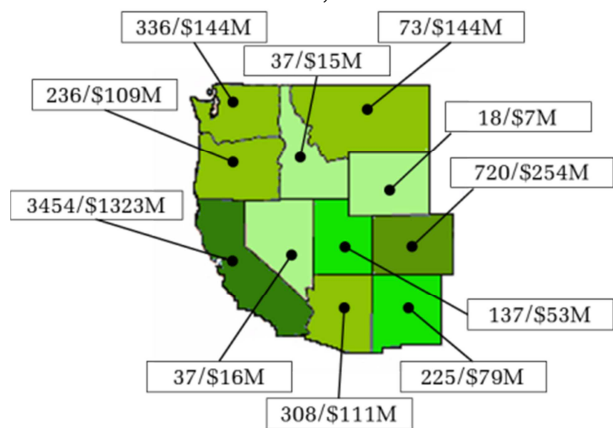
SMALL BUSINESS INNOVATION RESEARCH (SBIR) & SMALL BUSINESS TECHNOLOGY TRANSFER (STTR)

At the earliest phases of the commercialization pipeline are the SBIR/STTR grants from various funding entities within the US Federal Government. These two programs represent a substantial funding source for the entrepreneur working on commercializing technologies of interest to various governmental agencies.

Table 3: Western State 4 Year Cumulative SBIR/STTR Grant Totals, 2011-2014YTD

2011-2014YTD			
State	Total Dollars	# of Grants	Average Grant
Arizona	\$111,038,914	308	\$360,515
California	\$1,323,750,405	3454	\$383,251
Colorado	\$254,963,752	720	\$354,116
Idaho	\$14,714,908	37	\$397,700
Montana	\$22,734,636	73	\$497,314
New Mexico	\$79,105,149	225	\$351,578
Nevada	\$16,579,211	37	\$448,086
Oregon	\$109,372,772	236	\$463,443
Utah	\$53,314,767	137	\$389,158
Washington	\$144,376,100	336	\$429,690
Wyoming	\$6,848,592	18	\$380,477
Total	\$2,136,799,206	5581	\$382,870

Figure B: Western State 4 Year Cumulative SBIR/STTR Grant Totals, 2011-2014YTD



The SBIR program is a highly competitive program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization. Through a competitive awards-based program, SBIR enables small businesses to explore their technological potential and provides the incentive to profit from its commercialization. By including qualified small businesses in the nation's R&D arena, high-tech innovation is stimulated and the United States gains entrepreneurial spirit as it meets its specific research and development needs.⁸

STTR is another program that expands funding opportunities in the federal innovation research and development (R&D) arena. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small businesses and nonprofit research institutions. The unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II. STTR's most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations.⁹

Oregon grants from SBIR & STTR combined agencies totaled nearly \$46 million dollars in 2012 and \$24 million dollars in 2013. Health and Human Services Department led all agencies with \$33 million dollars in grants in Oregon over the two year period with a 2013 decline driven primarily by budgetary sequester cuts in Federal spending. A summary of the quantity of grants and funding totals can be found in Table 4 and more detailed breakdown of funding activity by city and funding agency

⁸ <http://www.sbir.gov/about/about-sbir>

⁹ <http://www.sbir.gov/about/about-sttr>

for 2013 is listed in Table 5¹⁰. Across the 11 Western US States, Oregon ranks somewhere in the middle of the pack for total grants funding over 4 year period ending in early 2014, but with the second highest average grant size at \$463K. Oregon's peer states in this metric are Washington, Montana and Arizona. Refer to table 3 and figure B for summary data.

Table 4: US Federal SBIR & STTR Grants Oregon

2012			
SBIR # of Grants	Total Funding	Average Grant	Median Grant
81	\$39,513,780	\$487,824	\$228,994
STTR # of Grants	Total Funding	Average Grant	Median Grant
14	\$6,384,491	\$456,035	\$324,758
2013			
SBIR # of Grants	Total Funding	Average Grant	Median Grant
53	\$22,302,614	\$420,804	\$199,982
STTR # of Grants	Total Funding	Average Grant	Median Grant
2	\$1,373,736	\$686,868	\$686,868

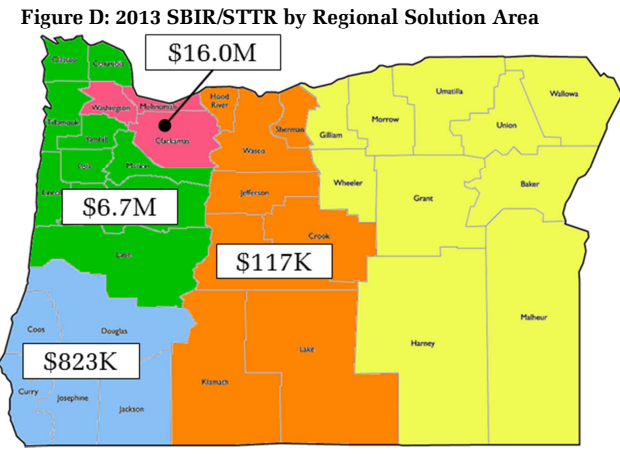
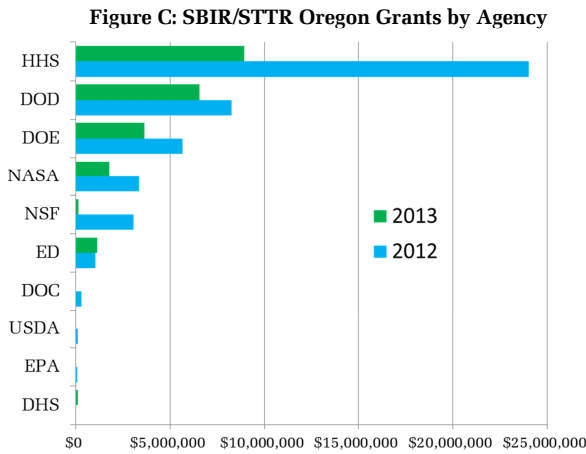


Table 5: US Federal SBIR & STTR Oregon Grants 2013 Detail

Granting Agency	Total Dollars	# of Grants	Average Grant	Median Grant	Regional Solutions Team/ City	Total Dollars	# of Grants	Average Grant	Median Grant
SBIR (phase I & II)					North, Central & South Central				
DHS	\$99,963	1	\$99,963	\$99,963	Redmond	\$117,198	1	\$117,198	\$117,198
DOD	\$6,548,158	13	\$503,704	\$532,818	Greater Eastern & Northeast				
DOE	\$3,656,358	8	\$457,045	\$152,490					
ED	\$1,124,412	3	\$374,804	\$149,500	South Coast & Southern				
HHS	\$8,951,651	18	\$497,314	\$247,580	Myrtle Creek	\$823,377	2	\$411,689	\$411,689
NASA	\$1,772,106	9	\$196,901	\$125,000	North Coast, Mid & South Valley				
NSF	\$149,966	1	\$149,966	\$149,966	Corvallis	\$1,229,858	3	\$409,953	\$150,000
Sub-Total	\$22,302,614	53	\$420,804	\$199,982	CottageGrove	\$900,000	1	\$900,000	\$900,000
STTR (phase I & II)					Eugene	\$4,589,390	15	\$305,959	\$183,920
HHS	\$1,373,736	2	\$686,868	\$686,868	Sub-Total	\$6,719,248	19		
Total	\$23,676,350	55	\$430,479	\$200,000	Metro				
					Beaverton	\$6,604,215	14	\$471,730	\$386,521
					Eagle Creek	\$124,683	1	\$124,683	\$124,683
					Hillsboro	\$914,296	1	\$914,296	\$914,296
					Lake Oswego	\$434,295	2	\$217,148	\$217,148
					Portland	\$7,939,038	15	\$529,269	\$260,864
					Sub-Total	\$16,016,527	33		
					Total	\$23,676,350	55		

Department of Homeland Security DHS
 Department of Defense DOD
 Department of Energy DOE
 Department of Education ED
 Health & Human Services HHS
 National Science Foundation NSF

¹⁰ All data sourced through US government SBIR/STTR sources, including <https://www.sbir.gov/past-awards>

OREGON NANOSCIENCE AND MICROTECHNOLOGIES INSTITUTE (ONAMI)

Since late 2006, ONAMI, an Oregon Signature Research Center, has made available a program of commercialization “gap” grants intended to help technologies created within the state and its universities to transition between the lab and commercial launch. Though a defined program and with the assistance of its Commercialization Advisory Council, ONAMI has granted over \$6.5 million since 2006. Projects funded in 2012 and 2013 totaling over \$1.4 million dollars are shown in the following table 6.

Table 6: ONAMI Gap Grants Detail 2012-13¹¹

2012 & 2013 ONAMI Gap Grants			
Company	Total Dollars	Lead Institution	Date First Awarded
Microflow CVO	\$168,258	OSU	Jan-12
Nemametrics	\$145,807	UO	Feb-12
Energy Storage Systems	\$249,800	PSU	Mar-12
QE Chemicals	\$37,250	UO	May-12
Dune Sciences	\$17,723	UO	May-12
Cascade Pro-drug	\$36,902	UO	May-12
Applied Exergy	\$31,516	OSU	Jul-12
NW Medical Isotope	\$34,977	OSU	Jul-12
Amorphyx	\$40,000	OSU	Jul-12
Pacific Light Technologies	\$247,480	PSU	Aug-12
Element 1	\$159,060	OSU	Oct-12
Amorphyx	\$250,000	OSU	Dec-12
SupraSensor	\$104,100	UO	Apr-13
Polaris Battery Labs	\$50,000	PSU	May-13
Valliscor	\$100,000	OSU	Nov-13
Total	\$1,672,873		

Figure E: ONAMI Gap Grants by Technology Type 2006 – 2013

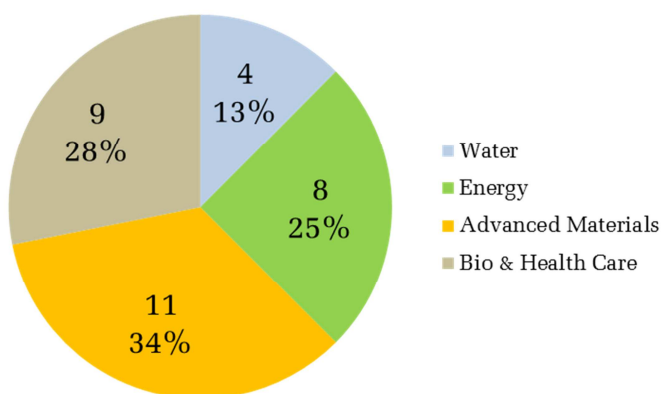
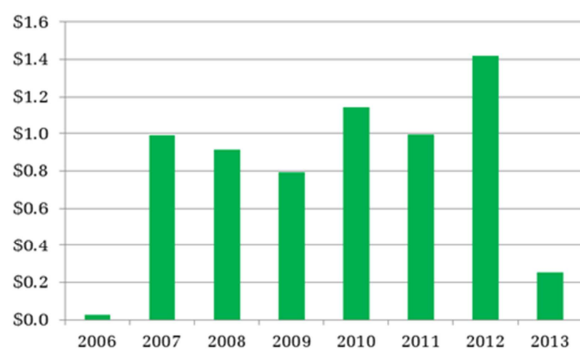


Figure F: ONAMI Gap Grants 2006 – 2013 (in \$ Millions)



¹¹ Source: ONAMI

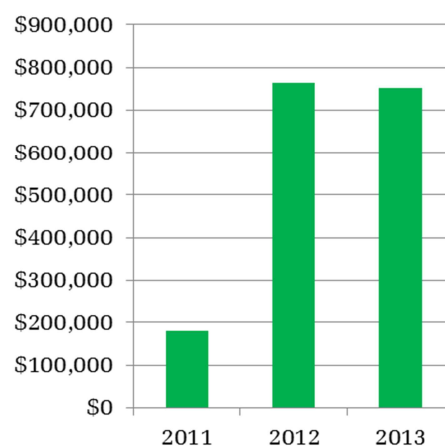
OREGON BUILT ENVIRONMENT AND SUSTAINABLE TECHNOLOGIES CENTER (OREGON BEST)

Oregon BEST, also an Oregon Signature Research Center, nurtures clean technology innovation by transforming new ideas, research, and products into green collar jobs, greater sustainability, and economic prosperity for Oregon. Founded in 2007 as the Oregon Built Environment & Sustainable Technologies Center, Inc. (Oregon BEST) – is an independent nonprofit. Oregon BEST provides leadership, expertise, resources, and relationships to achieve impact. Oregon BEST provides commercialization funding to compelling collaborations between a small Oregon business and at least one Oregon partner university. The funding is designed to bridge the gap between traditional research and development (R&D) funding and private investment. Oregon BEST has awarded over \$1.5 million dollars in commercialization funding grants during 2012 and 2013.

Table 7: Oregon BEST Commercialization Grants 2012-2013 Detail¹²

2012 & 2013 Oregon BEST Commercialization Grants				
Company	Total Dollars	Lead Institution	Date First Awarded	Area of Interest
HM3 Energy	\$73,284	OSU	May-2012	Biomass
Value of Remote Instr Sys	\$6,000	PSU	May-2012	Cleanweb
Applied Exergy	\$150,000	OSU	Jun-2012	Energy Storage
Columbia Green	\$79,659	PSU	Jun-2012	Green Building
Inspired Light	\$150,000	OSU	Jun-2012	Solar
M3 Wave	\$74,872	OSU	Jun-2012	Hydropower
ShelterWorks	\$74,335	PSU	Aug-2012	Green Building
NWREC	\$20,000	OIT	Nov-2012	Energy Efficiency
WETGEN	\$10,000	OSU	Jan-2013	Hydro Power
Battery	\$5,000	PSU	Feb-2013	Energy Storage
Waste2Watery	\$150,000	OSU	Apr-2013	Fuel Cells / Water
CSD Nano	\$150,000	OSU/UO	Mar-2013	Advanced Materials
Pacific Light Tech	\$150,000	OSU	May-2013	Adv. Mats. / Energy
Puralytics	\$53,011	OSU	Mar-2013	Adv. Mats./ Water
Local Foods Marketplace	\$44,800	UO	May-2013	Agriculture
IT Aire	\$39,800	OSU	Jun-2013	Energy Efficiency
MTEK	\$150,000	OSU	Jul-2013	Water
Total	\$1,516,042			

Figure G: Oregon BEST Commercialization Grants 2011 - 2013



¹² Source: Oregon BEST

CROWDFUNDING

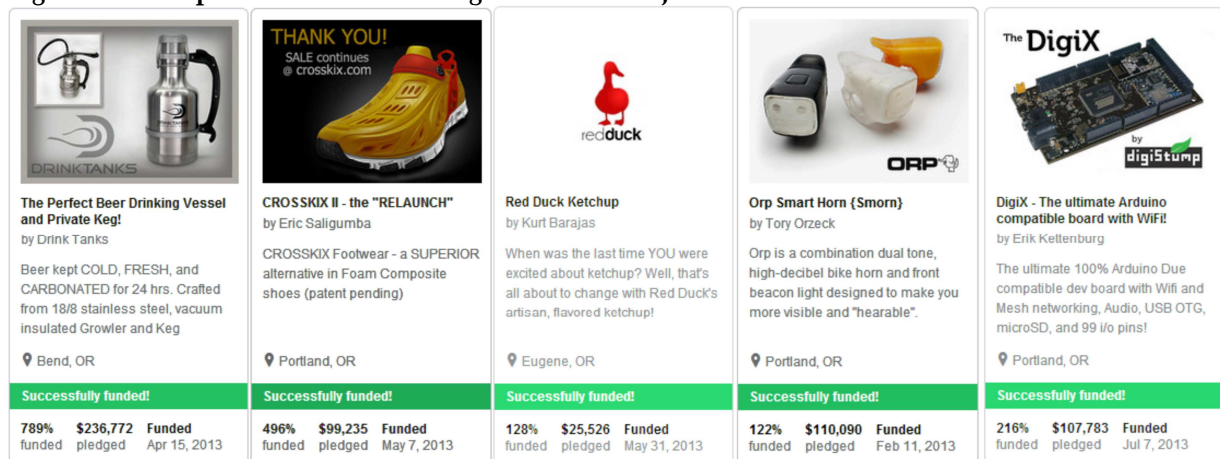
An emergent category of capital for funding the earliest stages of idea prototyping and enterprise launch has grown significantly since the production of the prior Oregon Capital Scan report. Crowdfunding, which can take a variety of structural forms recently accounted for an estimated \$2.8B of capital raised globally in 2012¹³. The US accounted for 532 thousand of the 1187 thousand worldwide campaigns tracked from over 190 different crowd funding platforms (CFPs) in 2011. Worldwide, there are an estimated 536 CFPs. The categories of capital available through this channel include 4 primary formats: (1) Equity-based; (2) Lending-based; (3) Reward-based; and (4) Donation-based.

Table 8: Kickstarter Oregon Summary¹⁴

2012			
# of Projects Funded	Total Funding	Average Project	Median Project
536	\$8,238,389	\$15,370	\$4,558
2013			
# of Projects Funded	Total Funding	Average Project	Median Project
533	\$7,024,208	\$13,179	\$5,240

Crowdfunding presents a new avenue for entrepreneurs and other creative people to seek funding in a non-traditional way. The size of the market has become large enough that some coverage of this channel of capital funding is warranted in this report, but we caution the reader that detailed data is difficult to secure with many CFPs declining to provide us with Oregon specific data on their activities. One notable exception was Kickstarter, probably the best known CFP, who was willing to provide state specific data. Kickstarter is considered primarily a donation based CFP. Industry estimates indicate that Kickstarter accounted for approximately 6% of the worldwide crowdfunding market in 2011¹⁵. We believe Kickstarter's share of the Oregon market is higher than their worldwide share. We estimate that Kickstarter's share of the Oregon market exceeds 30% so a reasonable estimate of the total crowdfunding activity in Oregon may exceed 3 times the detailed figures reported here. A summary of Kickstarter Oregon activity for 2012 & 2013 is shown in table 8.

Figure H: Examples of Kickstarter Oregon Funded Projects 2013:



¹³ Crowdsourcing.org estimates from May 2012 *Crowdfunding Industry Report*

¹⁴ Data provided by Kickstarter.com

¹⁵ Crowdsourcing.org

A review of Kickstarter individual transactions shows a large number of funded projects related to Music and Publishing. These are the most frequent project type with 339/533, or 64% of all funded projects, but make up a relatively modest 25% of dollars raised. In our research, we attempted to note those Kickstarter projects that appeared to be “recurring product” companies whose Kickstarter funding might be the first capital raised in the process of building a larger on-going enterprise. Of the 533 projects, it was determined that 125 fell into this category and raised a cumulative \$3.7 million dollars in 2013 – over half of the total Kickstarter funding raised in Oregon and a significant amount of early-stage funding if applied to prototypes and first production.

Table 9: Kickstarter Oregon 2013 Detail (Source: Kickstarter)

Kickstarter Project Category	Total Dollars	# of Projects Funded	Average Project	Median Project	Regional Solutions Team/ City	Total Dollars	# of Projects Funded	Average Project	Median Project
Design	\$1,132,819	40	\$28,320	\$6,340	North, Central & South Central				
Games	\$1,100,666	31	\$35,505	\$13,894	Bend	\$496,138	13	\$38,164	\$12,706
Technology	\$1,007,974	24	\$41,999	\$20,261	Hood River	\$57,547	1	\$57,547	\$57,547
Publishing	\$938,241	115	\$8,159	\$4,533	Redmond	\$5,160	1	\$5,160	\$5,160
Music	\$788,102	124	\$6,356	\$4,388	Sisters	\$206,591	5	\$41,318	\$29,890
Film & Video	\$668,770	45	\$14,862	\$10,125	Sub-Total	\$765,436	20		
Food	\$607,197	52	\$11,677	\$8,742	Greater Eastern & Northeast				
Art	\$225,337	45	\$5,007	\$2,683	Heppner	\$2,158	1	\$2,158	\$2,158
Comics	\$209,871	10	\$20,987	\$4,803	Pendleton	\$1,425	1	\$1,425	\$1,425
Theater	\$120,402	13	\$9,262	\$3,566	Sub-Total	\$3,583	2		
Fashion	\$119,650	11	\$10,877	\$3,625	South Coast & Southern				
Dance	\$52,086	12	\$4,341	\$3,638	Ashland	\$182,290	15	\$12,153	\$6,212
Photography	\$45,062	8	\$5,633	\$4,523	Gold Hill	\$110,667	1	\$110,667	\$110,667
Total	\$7,024,208	533	\$13,179	\$5,240	Grants Pass	\$15,131	1	\$15,131	\$15,131
					Medford	\$47,557	5	\$9,511	\$6,376
					Phoenix	\$1,722	2	\$861	\$1,722
					Port Orford	\$8,400	1	\$8,400	\$8,400
					Sub-Total	\$365,767	25		
					North Coast, Mid & South Valley				
					Albany	\$5,589	3	\$1,863	\$2,133
					Astoria	\$32,734	1	\$32,734	\$32,734
					Corvallis	\$28,255	7	\$4,036	\$3,696
					Depoe Bay	\$1,675	1	\$1,675	\$1,675
					Eugene	\$307,888	38	\$8,102	\$4,024
					Lebanon	\$35,842	1	\$35,842	\$35,842
					Lincoln City	\$347,080	2	\$173,540	\$173,540
					McMinnville	\$35,221	3	\$11,740	\$14,078
					Newberg	\$55,772	2	\$27,886	\$27,886
					Salem	\$72,267	10	\$7,227	\$2,624
					Yamhill	\$1,001	1	\$1,001	\$1,001
					Sub-Total	\$923,324	69		
					Metro				
					Beaverton	\$168,688	6	\$28,115	\$5,245
					Gladstone	\$5,330	2	\$2,665	\$2,665
					Gresham	\$3,887	1	\$3,887	\$3,887
					Happy Valley	\$8,535	1	\$8,535	\$8,535
					Hillsboro	\$1,817	1	\$1,817	\$1,817
					Milwaukie	\$828	1	\$828	\$828
					Molalla	\$5,156	1	\$5,156	\$5,156
					Portland	\$4,750,915	401	\$11,848	\$5,158
					Tualatin	\$7,486	1	\$7,486	\$7,486
					West Linn	\$6,330	1	\$6,330	\$6,330
					Wilsonville	\$4,644	1	\$4,644	\$4,644
					Sub-Total	\$4,963,616	417		
					Total	\$7,021,726	533		

Figure I: Kickstarter Funds into Oregon 2013 by Category

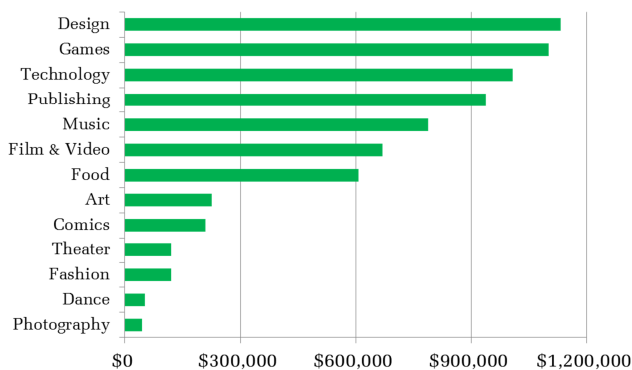
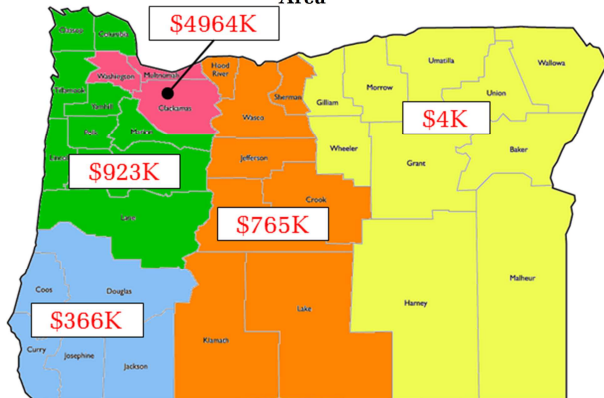


Figure J: 2013 Kickstarter Funds By Regional Solution Area



SEED FUNDING AND ANGEL INVESTMENT

Nationally, the Seed and Angel investment ecosystem is healthy and stable with median investment round size of \$600K per year in both 2012 and 2013¹⁶. The Pacific Northwest accounted for 7.7% of the deals and 6.1% of the dollars invested by Angels nationally in 2013 according to the Angel Resource Institute, which was a small decrease versus 2012. The Angel Capital Association (ACA) reports 170 Angel Capital member organizations across the US with over 8000 accredited individual member investors as members. The ACA reports over 265,000 individuals who have made Angel investments in the US. Individual angel investors are required to be accredited investors by the SEC's definitions¹⁷. Of the approximately 8.6 million millionaires in the US, roughly 3% engages in angel investments¹⁸. ACA reports that the median investment size for Angel groups across the US ranges between \$240K to \$291K between 2009 and 2011.

The Oregon Seed and Angel investment landscape has evolved since the last publishing of the Oregon Capital Scan report with an expansion in both the sources of investment and the scale of investment available. In addition to the longstanding Oregon Angel Fund and the former Portland Angel Network new entrants and forums have arisen for the aspiring entrepreneur including additional fixed Angel group conferences as well as independent year-round angel investing organizations. Mentioned in the 2012 Oregon Capital Scan report were the Portland Seed Fund and Portland Incubator Experiment (PIE). Joining this list are the Bend Venture Conference, Willamette Angel Conference, Roseburg Angel Investor Network (RAIN), Southern Oregon Angel Investment Network, Cascade Angels, TiE Angels, and other chapters of organized angel networks like the Keiretsu Forum, Alliance of Angels, and Zino Society.

Table 10: Angel, Seed & Convertible Note Transactions Oregon Summary¹⁹

2012			
# of Deals Funded	Total Funding	Average Deal	Median Deal
49	\$26,990,000	\$587,000	\$340,000
2013			
# of Deals Funded	Total Funding	Average Deal	Median Deal
45	\$25,180,000	\$646,000	\$400,000

Source: CB Insights

Table 10 summarizes the Angel, seed, and convertible debt transactions in Oregon during 2012 and 2013. It is important to note that not all Angel and seed transactions are captured and reported to industry data consolidators. Many smaller and "Friends & Family" investments are not recorded by industry data gatherers and would be omitted from this report. Table 12 contains data retrieved through interviews with a selection Angel of conference or group organizations within Oregon. To date, growth has been in the number of regionally specific annual Angel conferences. The Oregon Angel Fund, the Portland Seed Fund, and the TiE Angels group from the core of year-round investing Angel and seed groups, with the Cascade Angels in Central Oregon joining the field in the past year.

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

¹⁶ HALO Report™ US Angel Group Update: 2013 Year in Review

¹⁷ www.sec.gov/answers/accred.htm

¹⁸ Angel Capital Association, 2012

¹⁹ CB Insights

flow when they work with incubators and accelerators to fund promising ideas. The relationship between the Bend Venture Conference and the Founders Pad is an example of such collaboration.

Figure K: Angel, Seed & Convertible Debt Transactions, 2012 & 2013 By Regional Solution Area

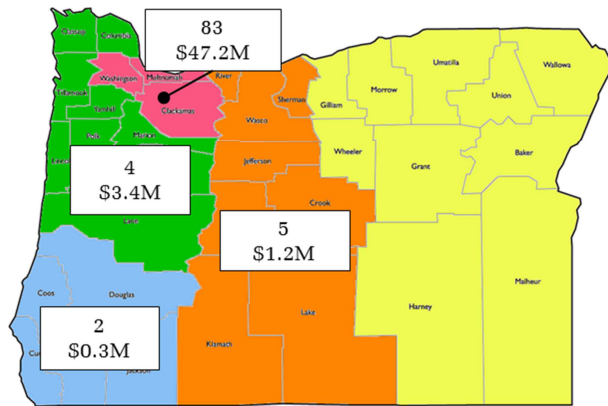


Table 11: 2012 & 2013 Angel, Seed & Convertible Debt Transactions, By Regional Solution Area

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

* Missing or incomplete data point. Source: CB Insights

Table 12: Selected Angel Conference & Group Interview Feedback 2012 & 2013

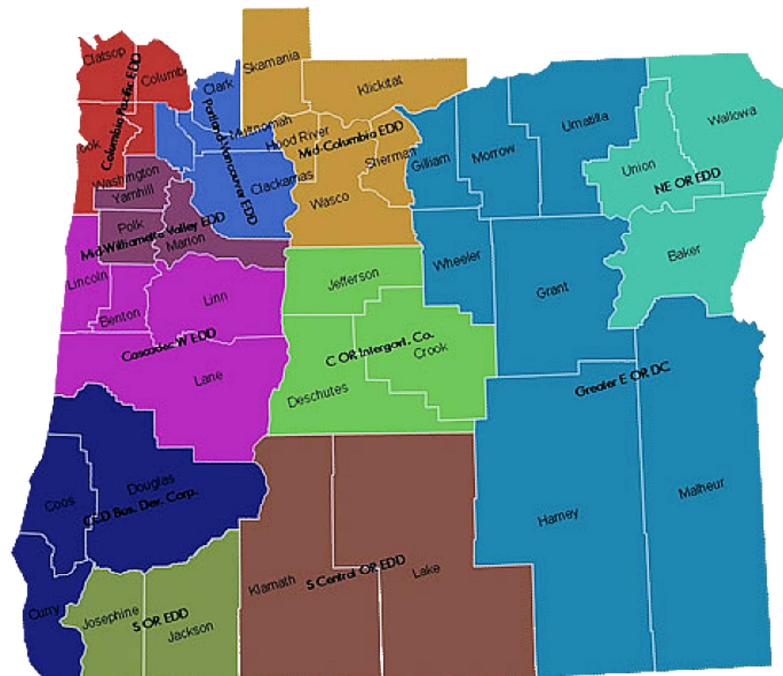
Organization	2012					2013				
	# Deals	\$ Invested	Industry	Region	Amount	# Deals	\$ Invested	Industry	Region	Amount
Oregon Angel Fund (OAF)		\$4,000,000	Life Tech	Metro	\$1,600,000		\$5,800,000	Software	Metro	\$3,750,000
			Software	Metro	\$1,600,000			Agriculture	Metro	\$1,200,000
			Other	North Coast/Valley	\$800,000			Software	All Over	\$850,000
Roseburg Angel Investor Network	0	\$0				1	\$150,000	Athletic & Outdoor	Metro	\$150,000
Cascade Angels	*1st investment in 2014. Central Oregon, Software, \$100,000									
Southern Oregon Angel Investment Network	1	\$160,000	Software	South Coast & Southern	\$160,000	1	\$220,000	Life Tech	Central Oregon	\$220,000
Gorge Angel Conference	1	\$145,000	Software	California	\$145,000	1	\$150,000	Life Tech	Central Oregon	\$150,000
Angel Oregon	2	\$386,000	Services	Metro	\$100,000	1	\$260,000	Services	Metro	\$260,000
			Agriculture	Metro	\$286,000					
Willamette Angel Conference	1	\$200,000	Life Tech	North Coast/Valley	\$200,000	4	\$460,000	Life Tech	Metro	\$255,000
								Software	North Coast/Valley	\$68,333
								Life Tech	North Coast/Valley	\$68,333
							Agriculture	Metro	\$68,333	
Bend Venture Conference	3	\$326,000	Life Tech	Metro	\$256,000	1	\$345,000	Software	Metro	\$345,000
			Other	Central Oregon	\$40,000					
			Life Tech	Central Oregon	\$30,000					
Portland Seed Fund	19 new deals, 8 follow-ons, \$843,000 Total					9 new deals, 14 follow-ons, \$665,000 total				
TIE Angels		\$800,000	Technology				\$800,000	Technology		

Source: interviews

The sparsity of seed and year around Angel investment sources has previously been cited as a gap in the Oregon ecosystem. With the recent growth in the number of investors participating in this layer of the ecosystem, this gap has become narrower. Still, many entrepreneurs will continue to point to the Angel and seed investment ecosystem as a constraint on new company formation. Of particular interest would be new sources of seed and Angel capital available throughout the year and new sources specifically focused on Oregon's strategic industry clusters, including food, athletic & outdoor products and specialty software verticals like gaming software or medical/life sciences.

ECONOMIC DEVELOPMENT DISTRICT MICRO-LOAN PROGRAMS

Figure L: Oregon Economic Development Districts



Source: Oregon Economic Development Look Book, 2011

As can be seen by the map above, Oregon's Economic Development Districts cover the state. They work to provide effective, efficient delivery of economic development services to benefit sustainable and healthy businesses, and therefore communities. The EDDs manage and deliver a large variety of federal and state programs, including revolving loan fund programs.

There are eleven EDDs in Oregon, covering the entire state. They are:

- Central Oregon Intergovernmental Council (COIC)
- Columbia Pacific EDD (ColPac)
- Coos Curry Douglas Business Development (CCD)
- Greater Eastern Oregon Economic Development Corporation (GEODC)
- Lane Council of Governments (LCOG)
- Mid-Columbia Economic Development District (MCEDD)
- Mid-Willamette Valley Council of Governments
- Northeast Oregon Economic Development District (NEOEDD)
- Oregon Cascades West Council of Governments
- South Central Oregon Economic Development District (SCOEDD)
- Southern Oregon Economic Development, Inc. (SORED)

Table 13: Economic Development District Lending 2012 & 2013 with 2014 Estimates

	Lent Assets	Available Assets	New loans 2012	New Loans 2013	Estimated for 2014	Note
Central Oregon Intergovernmental Council (COIC) ²⁰	*	\$1,950,000	\$327,000	\$1,465,000	\$1,387,000	16
Columbia Pacific EDD (ColPac) ²¹	*	*	\$350,000	\$230,000	\$350,000	17
Coos Curry Douglas Business Development (CCD) ²²	\$5,500,000	\$900,000	\$7,063,500	\$6,375,000	\$4,375,000	18
Greater Eastern Oregon Economic Development Corporation (GEODC)	*	*	\$1,740,600	\$784,600	*	17
Lane Council of Governments (LCOG) ²³	\$3,800,000	\$2,000,000	*	*	*	19
Mid-Columbia Economic Development District (MCEDD)	\$4,025,000	\$1,500,000	\$906,000	\$1,163,000	\$1,956,000	
Mid-Willamette Valley Council of Governments ¹⁷	\$2,400,000	\$1,018,376	\$190,658	\$799,200	\$2,400,000	17
Northeast Oregon Economic Development District (NEOEDD)	\$3,731,840	\$200,000	\$305,000	\$405,000	\$393,000	17
Oregon Cascades West Council of Governments	*	*	*	*	*	
South Central Oregon Economic Development District (SCOEDD)	\$2,192,140	\$645,000	*	*	*	17
Southern Oregon Economic Development, Inc. (SORED)	\$4,660,000	\$2,818,000	*	*	\$1,070,000	17

Lent Assets and Available Assets are as of 6/30/2014 unless otherwise noted. * indicates zero or no data given.
Source: Staff Interviews

Central Oregon Intergovernmental Council

COIC's mission is to provide education, retraining and economic development services to positively affect regional employment, individual lives, the business community and local government. COIC provides financing for new or expanding businesses to purchase or build a new facility, to purchase equipment, or for working capital. COIC partners with traditional commercial bank lending, as well as governmental programs, to provide a complete financing package. From 2012 – 2014, COIC originated a total of \$3.18million in loans working with the US Small Business Administration, Economic Development Assistance from the US Department of Commerce, the US Department of Agriculture IR Program and Jefferson County's loan program. COIC also packages SBA 504 loans. In 2012 COIC packaged \$4.34million in SBA loans. No SBA loans were originated in 2013, and in 2014, there are three pending applications totaling \$1.0million.

Columbia-Pacific Economic Development District

The Columbia-Pacific Economic Development District (Col-Pac) is a private non-profit organization established to assist in diversifying and strengthening the economy and livability of Northwest Oregon. The District covers all of Clatsop, Columbia, and Tillamook counties and the western part of Washington County. Certified by the U.S. Economic Development Administration (EDA) as a recognized Economic Development District, Col-Pac offers a range of economic and community development services, technical assistance, and referrals in carrying out its mission. As an economic

²⁰ monies lent through USDA, EDA and local gov't loan programs (new loans do not include SBA)

²¹ monies lent through USDA, EDA and local gov't loan programs

²² new loans include SBA packaged loans (SBA not included in "lent" or "available" - those are in-house loans)

²³ The purpose of the IRP program is to alleviate poverty and increase economic activity and employment in rural communities. Under the IRP program, loans are provided to local organizations (intermediaries) for the establishment of revolving loan funds. These revolving loan funds are used to assist with financing business and economic development activity to create or retain jobs in disadvantaged and remote communities. Intermediaries are encouraged to work in concert with State and regional strategies, and in partnership with other public and private organizations that can provide complimentary resources.

development district, Col-Pac provides capacity building, coordination and establishment of basic economic development foundation building tools for NW Oregon. In 2012 and 2013, Col-Pac originated \$350k and \$230k, respectively. For the fiscal year ended 6/30/14, they expect to originate \$350k of new loans.

Coos Curry Douglas Business Development Corporation

CCD Business Development Corporation is a private nonprofit corporation. They are federally recognized as the Economic Development District for Coos, Curry and Douglas counties. In 1981, the U.S. Small Business Administration designated CCD as a “Certified Development Company”, which enables CCD to begin helping businesses with SBA financing programs. Their programs are designed for small businesses that do not qualify for conventional commercial loans through lending institutions. Loan funds are available for business startups, expansion, real estate acquisition, leasehold improvements, equipment, inventory, and working capital. Currently their in-house loan portfolio totals \$5.5million. CCD also helps businesses obtain SBA loan funds through the 504 and 7a programs. Their SBA loan portfolio totals \$43.2million.

Greater Eastern Oregon Development Corporation

The Greater Eastern Oregon Development Corporation is a regional economic development membership organization charged with supporting job creation by helping to create, retain and expand businesses in the region. This is accomplished, in part, by assisting local government to develop human and physical infrastructure to support community, economic and business development. The GEODC originated \$1.74million of loans in 2012 and \$785k in 2013. Additionally, they packaged \$3.05million and \$2.59 million of SBA loans in 2012 and 2013, respectively. The GEODC also administers a micro-loan fund which had new loans of \$5k in 2012 and \$40k in 2013.

Lane Council of Governments

LCOG helps small businesses utilize various government loan resources including local, state, and federal programs such as the US Small Business Administration (approximately \$5million packaged each year), the US Department of Agriculture’s Intermediary Relending Program (\$4.9million total fund size as of 6/30/14 with \$2million available to lend) and the US Department of Commerce’s Economic Development Administration (\$.9million total fund size as of 6/30/14).

Mid-Columbia Economic Development District

Primarily a gap financier—the MCEDD helps small businesses obtain a complete financing package by working with more traditional sources of financing, like commercial banks, as well as other state and federal programs. Their revolving loan fund allows the borrower to keep working capital invested in receivables and inventory so that it may earn a profit, while improved facilities and equipment financed through a locally managed loan fund can provide the advantage of increased capacity and competitiveness. This process has the added benefit to local communities in the creation of new jobs, expanded tax base and stimulated business activity. MCEDD has a total fund size of \$6.75 million of which \$4.5 million is available for lending. MCEDD plans to make \$1.5million in new loans in 2014-15. New loans made from 2012-2014 total \$4.025 million across 48 deals.

Mid-Willamette Valley Council of Governments

The Mid-Willamette Valley COG’s mission is to provide assistance to area small businesses with all of the commonly used government finance programs. These federal, state and local resources are designed to be used in partnership with private lenders such as banks to provide the financing needed by companies to expand or start new ventures and create more jobs for the area. In the period

2012 through 2014, MWVCOG had \$2.47million, \$3.1million, and \$3.42 million to lend, respectively, through US Department of Agriculture, Economic Development Assistance, and local gov't loan programs. Average loan size was \$90k. Additionally, MWVCOG packaged loans through the SBA's 504/7A programs totaling \$1.8million in 2014.

Northeast Oregon Economic Development District

NEOEDD's mission is to provide resources and facilitate quality decision making for the benefit of entrepreneurs, businesses and communities in Northeast Oregon. The Northeast Oregon Economic Development District (NEOEDD) is a public organization established in 1985. Baker, Union and Wallowa counties formed the District by Intergovernmental Agreement as a way to enhance community and economic development services in the region.

South Central Oregon Economic Development District

The mission of the SCOEDD is to build cooperation and collaboration between private, public and community entities that support planned growth that allows for an economy with an expanded industrial base, leadership in alternative, renewable energy development, an educated and well trained workforce, and affordable housing opportunities. South Central Oregon EDD has seven distinct loan funds with a total capitalization of \$2.15 million, of which \$682k was available as of May 2014. Of the total funds to loan, \$110k is Rural Microenterprise Assistance Program (RMAP) funds. As of May 2014, \$90k of the RMAP funds is still available and the cap on individual deals is \$35k.

Southern Oregon Regional Economic Development, Inc.

SORED I offers business assistance, expansion, and relocation services. It is the mission of SORED I to be the leader in developing and nurturing economic partnerships among private, community, and public entities. These partnerships serve to build living-wage employment opportunities and diversify the economy of the local communities. SORED I currently holds a loan portfolio totaling \$4.66million, with additional funds available for lending of \$2.82 million. During the fiscal year ended 6/30/14, SORED I made loans totaling \$1.07million.

DEDICATED MICRO-LENDING FUNDS

In the 2012 version of the Oregon Capital Scan, the author described Microlending as "Gap #7". The author stated that "the need for microloan capital appears high and micro-loan funds are proliferating, but several regions remain underserved, such as Josephine and Jackson counties." In preparing this updated version of the report, the team reached out to the same entities included in the 2012 report. All of these entities still exist except for Entrepreneurial Development Services (eDev) in Lane County. Additionally, the team identified the Hispanic Metropolitan Chamber (Portland metro) as an additional source of micro-loan funds.

At least two of the EDD discussed earlier have dedicated micro-loan funds – Greater Eastern Oregon Development Corporation and South Central Oregon EDD. However, even though the team contacted all entities on the previous list, we received mixed responses that could inform this version of the report. This may be an example of an ease-of-use short-coming of these assistance programs and thus one of the reasons why small businesses do not more frequently take advantage of their resources.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

Another potential source of financial resources for small businesses and other organizations interested in community development are the Community Development Financial Institutions (CDFIs) which are certified by the Community Development Financial Institutions Fund (CDFI Fund - a program administered by the US Department of the Treasury).

Table 14: Oregon Community Development Financial Institutions

Organization Name	Financial Institution Type	City	Organization Website
Affiliated Tribes of Northwest Indians Financial Services	Loan Fund	Dallas	http://atniedc.com
Albina Community Bancorp	Depository Institution Holding Company	Portland	http://www.albinabank.com
Albina Community Bank	Bank or Thrift	Portland	http://www.albinabank.com
Albina Opportunities Corporation	Loan Fund	Portland	tbrandt@albinaopportunities.org
Community and Shelter Assistance Corporation	Loan Fund	Sherwood	http://www.casaoforegon.org
Community Housing Fund	Loan Fund	Beaverton	http://thecommunityhousingfund.org
Community LendingWorks	Loan Fund	Springfield	http://www.nedcocdc.org
Craft 3	Loan Fund	Astoria Portland Bend	http://www.craft3.org
HDC Community Fund	Loan Fund	Portland	www.housingdevelopmentcenter.org
Innovative Changes	Loan Fund	Portland	http://www.innovativechanges.org
Marion and Polk Schools Credit Union	Credit Union	Salem	http://www.mapscu.com
Network for Oregon Affordable Housing	Loan Fund	Portland	http://noah-housing.org
Northwest Community Capital Fund	Loan Fund	Portland	Not Available
Old West Federal Credit Union	Credit Union	John Day	http://oldwestfcu
Oregon Microenterprise Network	Loan Fund	Portland	http://www.oregon-microbiz.org
Pacific Crest Federal Credit Union	Credit Union	Klamath Falls	www.pacificcrestfcu.com
Pacific Northwest Ironworkers FCU	Credit Union	Portland	http://www.ironworkersfcu.org
Portland Housing Center	Loan Fund	Portland	www.portlandhousingcenter.org
Willamette Neighborhood Lending Services	Loan Fund	Corvallis	http://www.w-nhs.org

A certified Community Development Financial Institution is a specialized financial institution that works in market niches that are underserved by traditional financial institutions. CDFIs provide a unique range of financial products and services in economically distressed target markets, such as mortgage financing for low-income and first-time homebuyers and not-for-profit developers, flexible underwriting and risk capital for needed community facilities, and technical assistance, commercial loans and investments to small start-up or expanding businesses in low-income areas. CDFIs include regulated institutions such as community development banks and credit unions, and non-regulated institutions such as loan and venture capital funds.

Through its various programs, the CDFI Fund enables locally based organizations to further goals such as: economic development (job creation, business development, and commercial real estate development); affordable housing (housing development and homeownership); and community development financial services (provision of basic banking services to underserved communities and financial literacy training).

One example of a CDFI organization is Craft3. Craft3 is a nonprofit community development financial institution (CDFI) with a mission to strengthen economic, ecological and family resilience in Pacific Northwest communities. They do this by providing loans to entrepreneurs, nonprofits, individuals and others who don't normally have access to financing. They then complement these financial resources with their expertise, networks and other advocacy for their clients. Since inception in 1994, Craft3 has invested more than \$284 million in over 4,158 people and businesses in the Pacific Northwest. They started in the rural coastal community of Ilwaco, Washington. They have grown to all of Washington and Oregon from offices in Seattle and Port Angeles, Washington and in Bend, Astoria and Portland, Oregon. Craft3 is a regional institution supporting long-term, place-based strategies that link rural and urban communities of the Pacific Northwest.

Craft3's five year strategic plan commits to serving all of Oregon and Washington. In 2013 the organization followed up on that pledge by opening their first new office east of the Cascade Mountains. The new Bend office has three team members, each with a commitment to providing feet on the ground in central Oregon. Since its inception, Craft3 has invested \$1,211,325 in central Oregon companies, a third of that during 2013 alone. These companies created or retained 69 jobs, leveraged over \$548,000 in additional funds and strengthened \$987,000 in local ownership of real estate. Fifty low-income families were assisted and 69 acres of land conserved. Four loans went to start-up businesses and five to woman-, minority- or veteran-owned businesses.²⁴

Craft3 reports over \$110M in loans during the 2011-13 time periods alone with a loan portfolio distribution that includes 59% business loans, 28% community development loans and the remaining 18% invested in land, water and energy conservation loans.

As an example of Craft3's impact on small businesses, this story is taken from their website:

Cascade Direct Care, Prineville, Oregon -- \$50,000 Community Development Loan

Impact: + 3 Jobs + Woman-Owned Business + \$25,015 Private Funds Leveraged + 50 Low-Income Families Assisted

Upon receiving her master's degree in physician assistant studies, Lindsey McKay returned to her hometown to provide medical care to her community. Her vision was to offer a more personal level of service than a traditional primary clinic. Lindsey wanted to spend more time with her patients, giving them the best care possible. She decided to use a direct primary care approach, building a partnership with her patients and providing individualized treatment options. Unfortunately, Lindsey was unable to find a traditional lender that understood her vision. Then she found Craft3.

With Craft3's help, Lindsey opened Cascade Direct Care. Craft3 provided Lindsey with a loan for equipment and supplies, advertising and working capital to get the clinic off the ground.

Craft3's investment in Cascade Direct Care strengthens economic and family resilience by increasing entrepreneurship, supporting economic growth and strengthening access to essential services. Learn more at www.CascadeDirectCare.com.

²⁴ excerpted from Craft3 website: <http://www.craft3.org/About>

NEW MARKETS TAX CREDIT PROGRAM

The New Markets Tax Credit program (NMTC), administered by the CDFI Fund, helps economically distressed communities attract private investment capital by providing investors with a Federal tax credit. Investments made through the NMTC Program are used to finance businesses and real estate projects.

Through the NMTC program the CDFI Fund allocates tax credit authority to Community Development Entities (CDEs) through a competitive application process. CDEs are financial intermediaries through which investment capital flows from an investor to a qualified business located in a low-income community. CDEs use their authority to offer tax credits to investors in exchange for equity in the CDE. With these capital investments, CDEs can make loans and investments to businesses operating in distressed areas that have better rates and terms and more flexible features than the market. The NMTC program helps to offset the perceived or real risk of investing in distressed and low-income communities. In exchange for investing in CDEs, investors claim a tax credit worth 39% of their original CDE equity stake, which is claimed over a seven-year period. In addition to receiving a tax benefit, investors have the advantage of entering new, unsaturated markets before their competitors, thereby increasing their chance of success.

As described in a blog post from the Portland Business Journal (June 17, 2014), “Two Oregon agencies will share \$90 million in New Market Tax Credits, part of a \$3.5 billion allocation announced this week by the U.S. Department of the Treasury’s Community Development Financial Institutions Fund. Ecotrust CDE LLC and National Community Fund 1 were two of the 87 organizations to receive New Market allocations, of the 310 who applied. Both will deploy the tax credit allocations in projects that boost rural communities. Ecotrust CDE, a division of Ecotrust, received a \$35 million allocation, bringing its total since 2005 to more than \$200 million. Separately, National Community Fund 1, a division of the Portland Family of Funds Holdings Inc., received a \$50 million allocation.

Ecotrust CDE will use its allocation to make business loans and equity investments in projects that support economic activity in distressed rural communities, with an emphasis on developing and rehabilitating rural infrastructure. Current only ECOTrust CDE LLC and National Community Fund 1 are certified CDEs to receive NMTCs.

USDA RURAL DEVELOPMENT FUNDING

Through its Business Programs, USDA Rural Development provides for business credit needs in under-served rural areas, often in partnership with private-sector lenders. The various loan and grant programs that are available to help with funding in rural Oregon are shown in table 15. As an example, the Business and Industry Guaranteed Loan program (B&I) has as its purpose to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities. This purpose is achieved by bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting community benefits. It is not intended that the guarantee authority will be used for marginal or substandard loans or for relief of lenders having such loans. The USDA Rural Development programs report the following activity for the funding years 2011–2013:

Table 15: Oregon USDA Rural Development Funding Programs

Business Programs	2011		2012		2013	
	Number of Transactions	\$ Value	Number of Transactions	\$ Value	Number of Transactions	\$ Value
Business & Industry Guaranteed Loans	24	43,845,108	7	9,206,184	12	26,824,283
Rural Energy for America Program	42	13,349,561	22	346,810	23	479,000
Rural Business Enterprise Grants	32	867,392	15	347,000	17	367,604
Rural Business Opportunity Grant	2	108,300	0	0	1	45,000
Value-added Producer Grant	24	299,340	4	401,415	*	*
Rural Economic Development Loan & Grant	1	300,000	2	484,000	*	*
Intermediary Relending Program	3	677,000	1	400,000	*	*
Rural Cooperative Development Grant	*	*	*	*	1	147,200
Totals	128	59,446,701	51	11,185,409	54	27,863,087

For 2014, the USDA hopes to do 45 deals and award \$50,000,000.

As an example of the impact of the USDA Rural Development program on rural Oregon, in July 2012, seventeen Oregon small business received USDA grants to offset the cost of renewable energy projects such as installing solar arrays. Three more businesses received money for feasibility studies for various renewable energy projects. In total \$242,000 was received by these businesses. One of the recipients, East Ridge Animal Clinic in Klamath Falls, will use its grant award of \$16,695 to offset some of the cost of its new solar system that will produce 22,000 kilowatt hours of electricity. The electricity will be sold to the grid, producing additional revenue for the clinic of \$5,370 annually. The system should pay for itself within six years due to additional state and federal incentives and tax credits.

VENTURE CAPITAL



The area of growth company capital formation whose name is most familiar is the venture capital segment. Generally this category is comprised of professional investment partnerships which make investments in private high-growth potential companies. Data for transactions falling under the VC category are available from a number of sources; however we found agreement on numerical totals to be inexact. We represent below the data from three sources: Thomson Reuters via PricewaterhouseCoopers MoneyTree™, CB Insights, and Pitchbook Data, Inc. While totals vary somewhat, they are consistent within a range that is instructive for those attempting to understand the scale of capital flowing through this channel into Oregon based companies.

A useful feature of the PricewaterhouseCoopers MoneyTree™ data is the breakdown of data from the US total to Northwest (OR, WA, ID) and Oregon totals. This presentation helps communicate the scale of the Oregon VC funding market relative to regional state peers and the nation as a whole. Oregon attracts only about 1% of the venture funds invested in the United States. The full 50 state dataset is included in the appendix, and shows that Oregon's southern neighbor, California, accounts for approximately 50% of all venture capital funding.

Despite the winding down of a number of locally based VC funds, including Northwest Tech Ventures, OVP Venture Partners, Pivotal Investments, and Smart Forest Ventures, the amount of venture capital and the number of VC deals is growing within Oregon. Rogue Venture Partners was established in 2012 and has already amassed an active portfolio. Voyager Capital maintains an active presence in Portland and other out of state funds are regular visitors. OHSU has remained committed to assisting in the formation of a life sciences focused fund and a team has been identified to pursue a capital raise under the name Allegory Ventures. Skyline Capital has established itself in the Metro area and is focusing on the Athletic and Outdoor products cluster which is very strong in the region. Other funds in development or launched more recently include Seven Peaks Ventures in Bend and Gilded Rogue in Ashland.

The CB insights data in figure M and table 18 shows that within Oregon, the Portland Metro area accounts for the vast majority of VC funded transactions with no records of VC rounds in 3 of the 5 Regional Solutions Teams areas. We caution that CB insights data is recorded by legal address of the funded companies and may misattribute the location of some individual transactions.

**Table 16: PricewaterhouseCoopers/National Venture Capital Association
MoneyTree™ Report, Data: Thomson Reuters
VC Investments by US, Region, and Oregon Q1 2012 - Q1 2013**

	Q1 2012		Q2 2012		Q3 2012		Q4 2012		Q1 2013		Q2 2013		Q3 2013		Q4 2013	
	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M
US	885	\$6,337.8	988	\$7,412.0	946	\$6,657.0	1,058	\$6,978.2	916	\$6,014.5	991	\$7,157.0	1,058	\$7,967.9	1,112	\$8,441.1
Northwest	41	\$295.4	35	\$196.2	36	\$173.6	42	\$332.6	44	\$168.9	38	\$236.9	40	\$153.7	45	\$503.1
Oregon	11	\$29.1	7	\$6.5	7	\$40.2	5	\$48.8	12	\$79.1	8	\$15.3	10	\$26.5	8	\$17.7
Oregon % of US	1%	0%	1%	0%	1%	1%	0%	1%	1%	1%	1%	0%	1%	0%	1%	0%
Oregon % of Northwest	27%	10%	20%	3%	19%	23%	12%	15%	27%	47%	21%	6%	25%	17%	18%	4%

*Northwest region includes Oregon, Washington and Idaho Source: Thomson Reuters

Table 17: Sample of Prominent Oregon Venture Deals in 2012 & 2103

Company (City)	Date	Investors (including prior rounds)	Round Size	Series	Sector
Cloudability (Portland)	July 2012	Foundry Group, 500 Startups, Trinity Ventures, Walden Venture Capital, Portland Seed Fund, PIE, SK Ventures, Techstars	\$8.7M	A	Software
Essia Health <i>fka: ScribesSTAT</i> (Portland)	June 2013	Camden Partners Holdings, LLC	\$6.0M	A	Healthcare
Green Zebra Grocery (Portland)	Dec 2013	OAF, CircleUp, Craft3 (debt)	\$3.5M	A	Food
VendScreen (Portland)	Jan 2012	3X5 Special Opportunities Fund, Merrickhanna Ventures	\$12M	A	Tech Hardware
VendScreen (Portland)	Dec 2012	3X5 Special Opportunities Fund, Merrickhanna Ventures	\$15.4M	B	Tech Hardware
Jama Software (Portland)	Aug 2013	Trinity Ventures, Madrona Group, OAF	\$13M	B	Software
Brammo (Talent)	July 2012	Polaris Industries, Alpine Energy, NorthPort Investments	\$13M	C	Clean Transportation
Brammo (Talent)	April 2012	Polaris Industries, Alpine Energy, NorthPort Investments	\$4.5M	C-II	Clean Transportation
Elemental Tech (Portland)	May 2012	General Catalyst Partners, Norwest Venture Partners, Steamboat Ventures, Voyager Capital	\$13M	C	Software
JanRain (Portland)	Jan 2013	EPIC Ventures, Salesforce, Millennium Technology Value Partners, Split Rock Partners, Emergence Capital, RPM Ventures, DFJ Frontier, Anthem	\$33M	C	Internet
PuppetLabs (Portland)	Jan 2013	VMware, Radar Partners, Cisco, Google Ventures, True Ventures, Kleiner Perkins Caufield & Byers	\$30M	D	Software
Urban Airship (Portland)	Feb 2013	August Capital, Foundry Group, Verizon Communications, True Ventures, Intel Capital	\$25M	D	Software
ClearEdge Power (Portland)	Mar 2013	Applied Ventures, So Cal Gas Company, ARTIS Ventures, Kohlberg Ventures	\$36M	F	Clean Tech

Source: CB Insights, CrunchBase

Figure M: Venture Capital 2012 & 2013 by Regional Solution Area

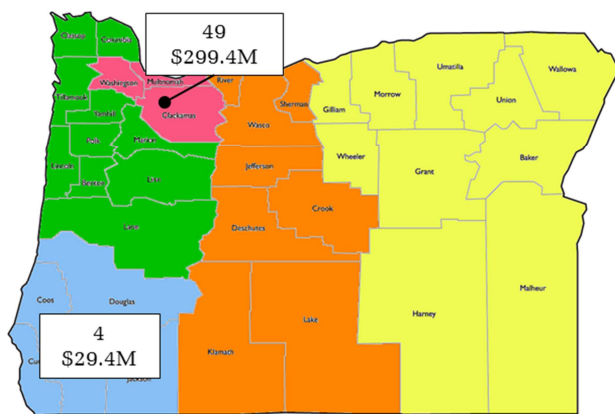


Table 18: 2012 & 2013 Venture Capital by Regional Solution Area

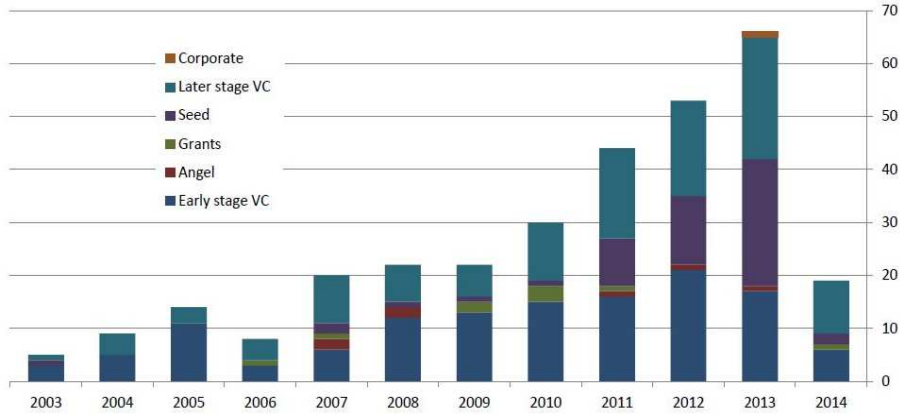
Regional Solutions Team/ City	Total Dollars	# of Deals	Average Deal	Median Deal
North, Central & South Central				
		0		
Greater Eastern & Northeast				
		0		
South Coast & Southern				
Ashland	\$1.8M	1		
Medford	\$10M	1		
Talent	\$17.5M	2	\$8.8M	
Sub-Total	\$29.4M	4	\$7.3M	\$7.3M
North Coast, Mid & South Valley				
		0		
Metro				
Beaverton	\$25.3M	6	\$5.1M	\$3.7M
Hillsboro	\$46.3M	3	\$15.4M	\$10.0M
Lake O	\$10.3M	2	\$5.2M	
Portland	217.6M	38	\$6.0M	\$2.5M
Sub-Total	\$299.4M	49	\$6.1M	\$2.8M
Total	\$328.8M	53	\$6.6M	\$3.2M

* Missing or incomplete data point.

Source: CB Insights

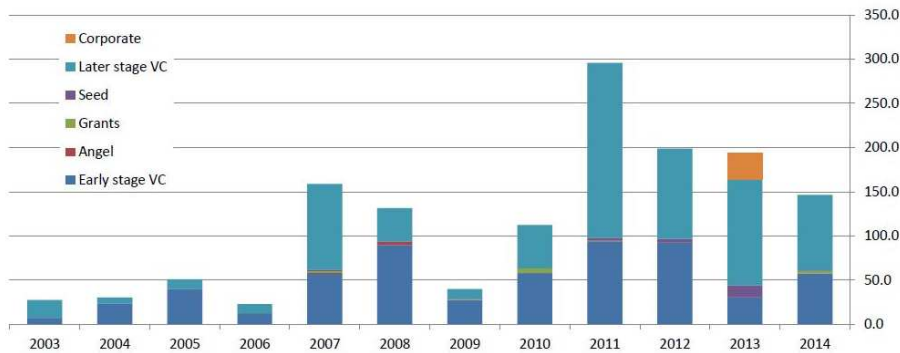
**Figure N: Oregon Venture Capital Deals: # of Deals by Deal Type
2003-2014YTD**

Source: PitchBook Data, Inc.



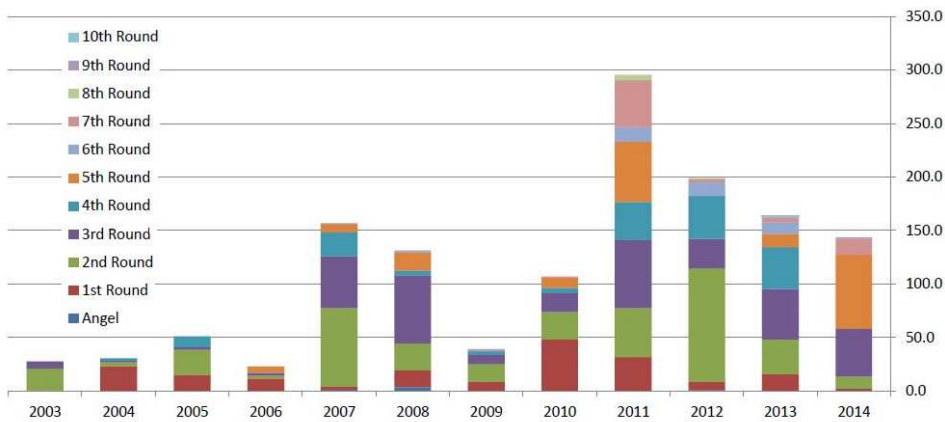
**Figure O: Oregon Venture Capital Deals: Capital Invested by Deal Type
2003-2014YTD (\$M)**

Source: PitchBook Data, Inc.



**Figure P: Oregon Venture Capital Deals: Capital Invested by VC Round
2003-2014YTD (\$M)**

Source: PitchBook Data, Inc.



SMALL BUSINESS ADMINISTRATION (SBA) LOANS

The U.S. Small Business Administration (SBA) was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation. The SBA helps Americans start, build and grow businesses. Through an extensive network of field offices and partnerships with public and private organizations, SBA delivers its services to people throughout the United States, Puerto Rico, the U. S. Virgin Islands and Guam.²⁵



How does the SBA guarantee loan program work?

Under the guaranty concept, commercial lenders make and administer the loans. The business applies to a lender for their financing. The lender decides if they will make the loan internally or if the application has some weaknesses which, in their opinion, will require an SBA guaranty if the loan is to be made. The guaranty which SBA provides is only available to the lender. It assures the lender that in the event the borrower does not repay their obligation and a payment default occurs, the Government will reimburse the lender for its loss, up to the percentage of SBA's guaranty. Under this program, the borrower remains obligated for the full amount due. SBA acts like an insurance agency and provides a guarantee to the bank. Since this is a bank loan, applications must be submitted to the bank and monthly loan payments are paid to the bank. The bank is also responsible for closing the loan and disbursing the loan proceeds. SBA's involvement is limited to reviewing the loan application submitted by the bank to assure they meet eligibility and credit standards. SBA provides the bank with a written Authorization outlining the conditions of the SBA guarantee.²⁶

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

For this report, we focus on summary 7(a) and 504 loan data as shown in table 19 and 20. We also include statewide loan distribution by Oregon County and loan data aggregated by the Oregon Regional Solutions Team areas in figures Q and R. There are some differences of note in the table data versus the figures due to the fact that the Eastern Oregon counties of Baker, Grant, Harney, Malheur, Union, and Wallowa are serviced from the Boise District Office of the SBA.

²⁵ www.sba.gov/about-sba/what_we_do/mission

²⁶ source: SBA, www.sba.gov/content/how-does-sba-guarantee-loan-program-work

Table 19: Oregon SBA 7(a) Loan Activity 2012-13 by Lender

Rank	7(a) Lender	2012			2013			Total \$ Loan Volume
		# of Loans	\$ of Loans	Average Loan	# of Loans	\$ of Loans	Average Loan	
1	Wells Fargo	84	\$41,474,700	\$493,746	95	\$38,267,100	\$402,812	\$79,741,800
2	US Bank	129	\$31,005,000	\$240,349	209	\$48,680,500	\$232,921	\$79,685,500
3	KeyBank	97	\$12,878,500	\$132,768	63	\$20,374,700	\$323,408	\$33,253,200
4	Bank of the West	9	\$5,409,600	\$601,067	23	\$20,898,600	\$908,635	\$26,308,200
5	Umpqua Bank	13	\$6,411,700	\$493,208	21	\$17,830,500	\$849,071	\$24,242,200
6	Sterling Savings Bank	8	\$5,319,000	\$664,875	19	\$18,383,200	\$967,537	\$23,702,200
7	CapitalSource	10	\$11,267,000	\$1,126,700	10	\$10,692,000	\$1,069,200	\$21,959,000
8	Live Oak Banking Co	9	\$6,435,000	\$715,000	10	\$12,399,000	\$1,239,900	\$18,834,000
9	Columbia State Bank	8	\$2,646,400	\$330,800	83	\$15,066,000	\$181,518	\$17,712,400
10	Pacific Continental	18	\$11,004,000	\$611,333	8	\$3,594,000	\$449,250	\$14,598,000
11	JP Morgan Chase	49	\$6,689,800	\$136,527	46	\$3,849,400	\$83,683	\$10,539,200
12	West Coast Bank	93	\$10,316,400	\$110,929	0	\$0	\$0	\$10,316,400
13	Hana Small Business	2	\$3,170,000	\$1,585,000	3	\$6,600,000	\$2,200,000	\$9,770,000
14	Albina CommBank	7	\$2,540,100	\$362,871	10	\$5,280,200	\$528,020	\$7,820,300
15	Peoples Bank of Cmrc	35	\$2,480,000	\$70,857	40	\$5,150,300	\$128,758	\$7,630,300
16	Celtic Bank Corp	2	\$1,735,000	\$867,500	6	\$5,469,800	\$911,633	\$7,204,800
17	BizCapital	0	0	0	4	\$7,201,900	\$1,800,475	\$7,201,900
18	Seacoast Commerce	2	\$1,564,200	\$782,100	9	\$5,368,800	\$596,533	\$6,933,000
19	Borrego Springs Bank	11	\$6,465,700	\$587,791	0	\$0	\$0	\$6,465,700
20	Prime Pacific Bank	3	\$2,711,600	\$903,867	2	\$3,382,000	\$1,691,000	\$6,093,600
21	Bank of the Cascades	20	\$2,065,500	\$103,275	20	\$3,906,000	\$195,300	\$5,971,500
22	Pacific City Bank	6	\$4,346,000	\$724,333	3	\$694,000	\$231,333	\$5,040,000
23	Unibank	7	\$4,476,000	\$639,429	0	\$0	\$0	\$4,476,000
24	Hanmi Bank	3	\$4,442,000	\$1,480,667	0	\$0	\$0	\$4,442,000
25	Evolve Bank & Trust	2	\$3,513,000	\$1,756,500	1	\$750,000	\$750,000	\$4,263,000
	Sub-Total	627	\$190,366,200	\$303,614	685	\$253,838,000	\$370,566	\$444,204,200
	All Others	94	\$29,053,500	\$309,080	63	\$43,498,300	\$690,449	\$72,551,800
	Total	721	\$219,419,700	\$304,327	748	\$297,336,300	\$397,508	\$516,756,000

Source: SBA Portland District Office

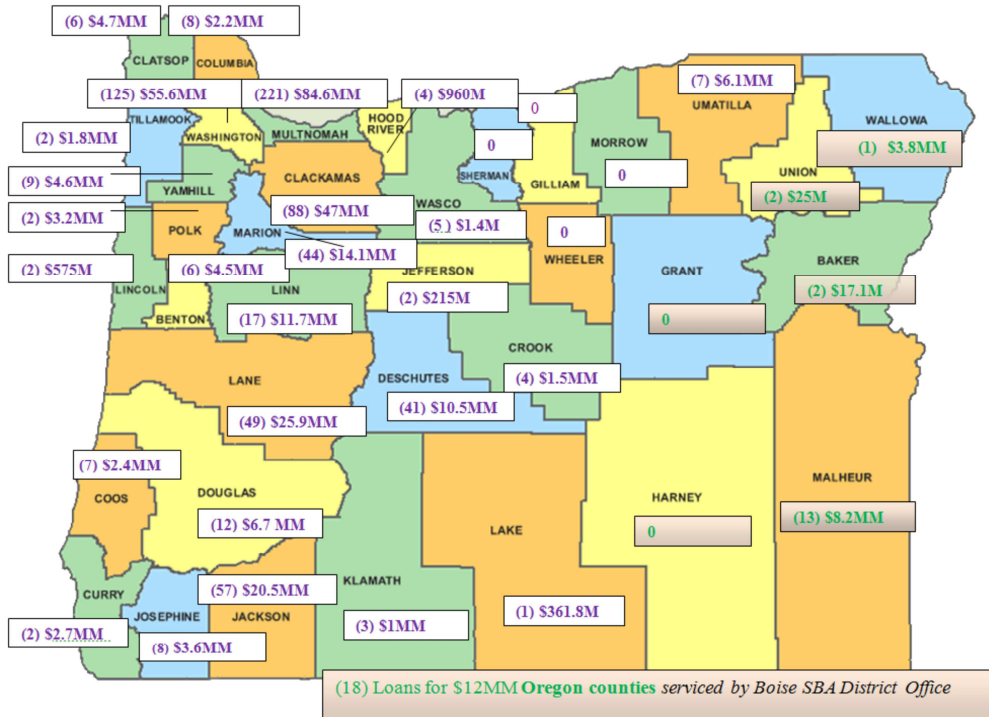
Table 20: Oregon SBA 504 Loan Activity 2012-13 by Lender

Rank	504 Lender	2012			2013			Total \$ Loan Volume
		# of Loans	\$ of Loans	Average Loan	# of Loans	\$ of Loans	Average Loan	
1	Evergreen Business	57	\$49,521,000	\$868,789	45	\$38,994,000	\$866,533	\$88,515,000
2	NW Bus. Dev.	22	\$19,640,000	\$892,727	18	\$14,544,000	\$808,000	\$34,184,000
3	Cascades West	12	\$9,012,000	\$751,000	12	\$13,209,000	\$1,100,750	\$22,221,000
4	CCD Bus Dev	7	\$5,885,000	\$840,714	1	\$223,000	\$223,000	\$6,108,000
5	Oregon Bus Dev	11	\$4,393,000	\$399,364	2	\$956,000	\$478,000	\$5,349,000
6	NW Small Business Fin	3	\$2,910,000	\$970,000	2	\$1,541,000	\$770,500	\$4,451,000
7	Nevada St. Dev Corp	0	\$0	\$0	1	\$923,000	\$923,000	\$923,000
8	Greater Eastern OR	1	\$747,000	\$747,000	0	\$0	\$0	\$747,000
9	Ameritrust CDC	0	\$0	\$0	1	\$193,000	\$193,000	\$193,000
	Sub-Total	113	\$92,108,000	\$815,115	82	\$70,583,000	\$860,768	\$162,691,000
	All Others	1	\$937,000	\$937,000	0	\$0	\$0	\$937,000
	Total	114	\$93,045,000	\$816,184.21	82	\$70,583,000	\$860,768	\$163,628,000

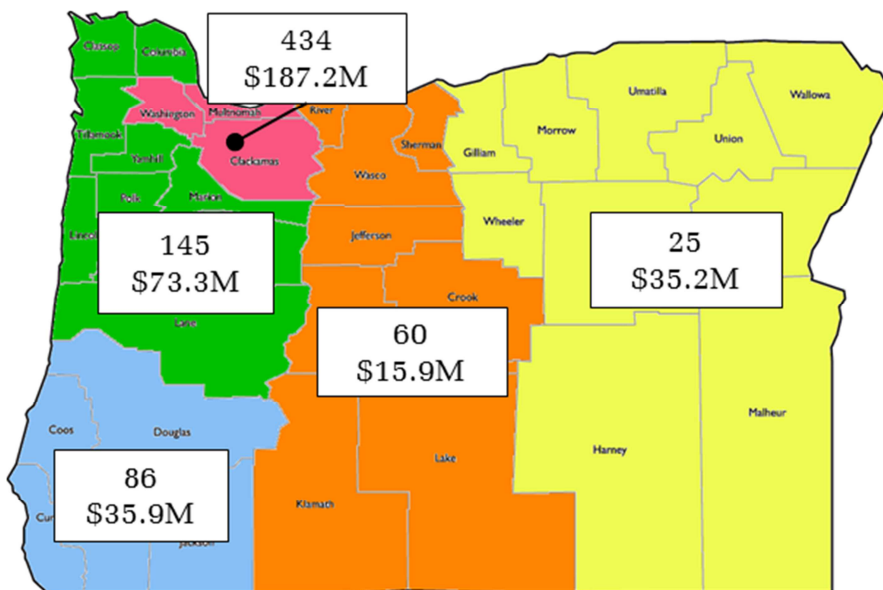
Source: SBA Portland District Office

**Figure Q: SBA 7(a) & 504 FYE September 20, 2013
Loan Count and Value by County²⁷**

Key: (# of deals) \$M = thousands \$MM = millions



**Figure R: SBA 7(a) & 504 FYE September 20, 2013
Loan Count and Value by Regional Solutions Area**



²⁷ Graphic produced and provided by SBA Portland District Office

TRADITIONAL SMALL BUSINESS DEBT

The Federal Government through the Federal Deposit Insurance Corporation (FDIC) requires banks to file statements outlining their loan exposures. One category that is identified on those statements is loans to small business and small farms with a breakdown of loans secured by nonfarm nonresidential properties as well as commercial and industrial loans. We find this data, when viewed alongside the often overlapping SBA loan activity data, to be representative of small business loan activity in the State of Oregon. How a business is defined as “small” is a variable that differs by industry and is typically measured by number of employees²⁸. Generally 500 employees is an upper boundary. In the following tables is the data supplied by a broad array of Banks who do significant business in Oregon. Omitted from this list are the very large banks like Bank of America and Wells Fargo because their aggregated totals are not illustrative of Oregon specific activity. US Bank was one of the large banks which provided specific Oregon data and their breakdown of small business loan activity sorted by Oregon County for 2012 and 2013 can be found in table 22 and figure S.

Table 21: Small Business Loans by Selection of Oregon Regional Banks²⁹

Schedule RC-C Part II - Loans to Small Business and Farms	Albina Community Bank	American West Bank	Bank of Eastern Oregon	Bank of the Cascades	Bank of the Pacific	Banner Bank
Loans Secured by Nonfarm Nonresidential Properties (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	12 - 614	174 – 8,069	63 – 2,618	81 – 2,772	70 – 2,913	138 – 6,875
\$100,000 - \$250,000	30 – 5,134	462 – 59,527	73 – 9,545	193 – 24,468	118 – 16,996	424 – 60,240
\$250,000 - \$1,000,000	42 – 21,133	833 – 339,939	47 – 19,826	290 – 113,446	188 – 79,774	700 – 309,416
Commercial and Industrial Loans (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	204 – 4,823	1094 – 22,242	213 – 4,292	967 – 19,794	413 – 8,716	1714 – 41,887
\$100,000 - \$250,000	21 – 2,996	481 – 36,808	46 – 4,437	192 – 15,603	134 – 11,869	516 – 51,636
\$250,000 - \$1,000,000	25 – 11,283	484 – 111,586	33 – 8,035	137 – 30,084	108 – 26,017	465 – 132,741

Schedule RC-C Part II - Loans to Small Business and Farms	Capital Pacific Bank	CenterPointe Community Bank	Citizens Bank	Clackamas County Bank	Clatsop Community Bank	Columbia Bank
Loans Secured by Nonfarm Nonresidential Properties (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	4 - 237	8 - 446	60 – 2,570	11 - 533	34 - 765	8 – 341
\$100,000 - \$250,000	14 – 2,098	19 – 2,700	117 – 14,950	48 – 7,429	10 – 1,630	82 – 11,383
\$250,000 - \$1,000,000	56 – 30,992	39 – 17,592	122 – 52,075	46 – 19,631	24 – 11,698	285 – 131,982
Commercial and Industrial Loans (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	10 – 1,442	50 – 1,470	393 – 10,160	21 - 331	80 - 901	402 – 16,719
\$100,000 - \$250,000	25 – 1,992	30 – 3,524	104 – 8,767	0	13 – 2,018	148 – 21,350
\$250,000 - \$1,000,000	54 – 11,725	*	68 – 17,632	3 - 720	*	157 – 49,784

Schedule RC-C Part II - Loans to Small Business and Farms	Community Bank	First Federal	Heritage Bank	High Desert Bank	Home Federal Bank	Home Street Bank
Loans Secured by Nonfarm Nonresidential Properties (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	64 – 3,330	3 - 202	99 – 8,493	2 - 117	46 – 4,936	23 – 886
\$100,000 - \$250,000	98 – 14,732	27 – 4,361	157 – 23,417	4 – 705	99 14,024	51 – 6,371
\$250,000 - \$1,000,000	71 – 29,869	37 – 18,079	254 – 113,864	*	131 – 59,714	146 – 53,250
Commercial and Industrial Loans (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	142 – 4,030	*	1355 – 64,446	7 - 187	424 – 3,820	159 – 5,187
\$100,000 - \$250,000	47 – 5,281	*	123 – 12,847	4 - 297	61 – 4,872	89 – 7,282
\$250,000 - \$1,000,000	41 – 13,458	*	130 – 37,591	5 – 1,308	31 – 6,873	150 – 33,442

²⁸ Small Business size definitions can be found here: <http://www.sba.gov/content/table-small-business-size-standards>

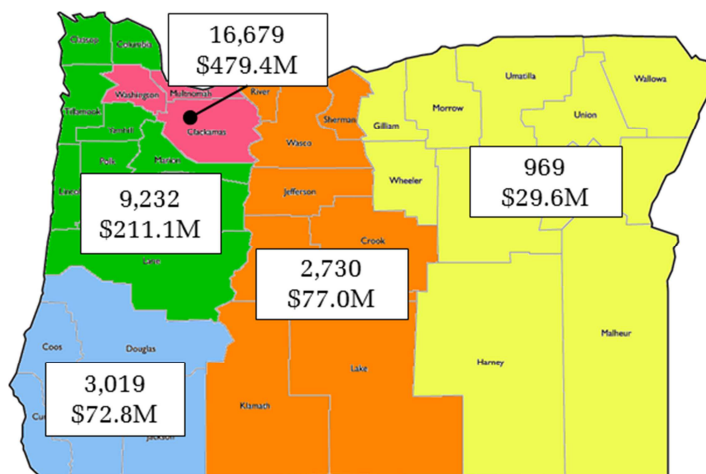
²⁹ Source: FDIC reports

Schedule RC-C Part II - Loans to Small Business and Farms	Lewis & Clark Bank	MBank	Oregon Coast Bank	Oregon Pacific Bank	Pacific Continental Bank	Pacific West Bank
Loans Secured by Nonfarm Nonresidential Properties (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	2 - 141	22 - 1,045	27 - 1,038	15 - 792	40 - 1,508	*
\$100,000 - \$250,000	13 - 2,142	42 - 5,322	45 - 5,868	29 - 3,288	152 - 22,447	17 - 2,751
\$250,000 - \$1,000,000	40 - 18,029	47 - 20,179	19 - 6,811	47 - 17,458	303 - 145,379	31 - 13,604
Commercial and Industrial Loans (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	9 - 642	73 - 1,389	102 - 1,633	145 - 2,008	441 - 7,838	40 - 1,248
\$100,000 - \$250,000	21 - 2,604	27 - 2,578	21 - 2,266	25 - 2,653	228 - 24,179	23 - 2,352
\$250,000 - \$1,000,000	5 - 1,704	*	*	26 - 5,116	543 - 207,674	14 - 3,738

Schedule RC-C Part II - Loans to Small Business and Farms	People's Bank of Commerce	Pioneer Trust Bank	Premier Community Bank	Riverview Community Bank	Scott Valley Bank	Siuslaw Bank
Loans Secured by Nonfarm Nonresidential Properties (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	13 - 770	31 - 1,187	3 - 198	16 - 964	10 - 445	41 - 2,150
\$100,000 - \$250,000	60 - 9,769	113 - 16,472	26 - 4,225	53 - 8,444	31 - 4,257	65 - 9,359
\$250,000 - \$1,000,000	61 - 26,454	73 - 27,766	73 - 32,913	124 - 58,354	67 - 31,349	85 - 32,506
Commercial and Industrial Loans (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	174 - 5,728	150 - 4,527	207 - 6,444	122 - 2,280	222 - 5,069	72 - 2,110
\$100,000 - \$250,000	68 - 6,908	106 - 9,424	116 - 11,857	60 - 5,748	121 - 11,606	27 - 3,669
\$250,000 - \$1,000,000	40 - 12,261	75 - 22,556	115 - 33,771	59 - 11,581	89 - 16,277	38 - 12,229


Schedule RC-C Part II - Loans to Small Business and Farms	Summit Bank	The Bank of Oswego	The Commerce Bank of Oregon	Umpqua Bank	Washington Trust Bank	Willamette Community Bank
Loans Secured by Nonfarm Nonresidential Properties (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	9 - 371	3 - 209	0	291 - 11,525	174 - 7,065	8 - 397
\$100,000 - \$250,000	38 - 6,220	6 - 1,089	5 - 803	955 - 136,530	319 - 42,426	28 - 4,169
\$250,000 - \$1,000,000	48 - 22,437	*	*	1667 - 720,312	480 - 211,341	28 - 12,595
Commercial and Industrial Loans (# of loans outstanding – value outstanding in \$ thousands)						
\$100,000 or less	543 - 18,296	61 - 1,822	52 - 1,432	4250 - 80,584	15238 - 34,542	40 - 1,271
\$100,000 - \$250,000	42 - 3,212	18 - 1,594	45 - 5,038	995 - 80,004	340 - 31,888	23 - 2,424
\$250,000 - \$1,000,000	39 - 10,755	27 - 7,366	58 - 18,305	841 - 192,504	534 - 136,084	14 - 3,499

Figure S: US Bank Small Business Loans in Oregon by Regional Solutions Area



Source: US Bank

Table 22: US Bank Small Business Loans in Oregon by Regional Solutions Area³⁰

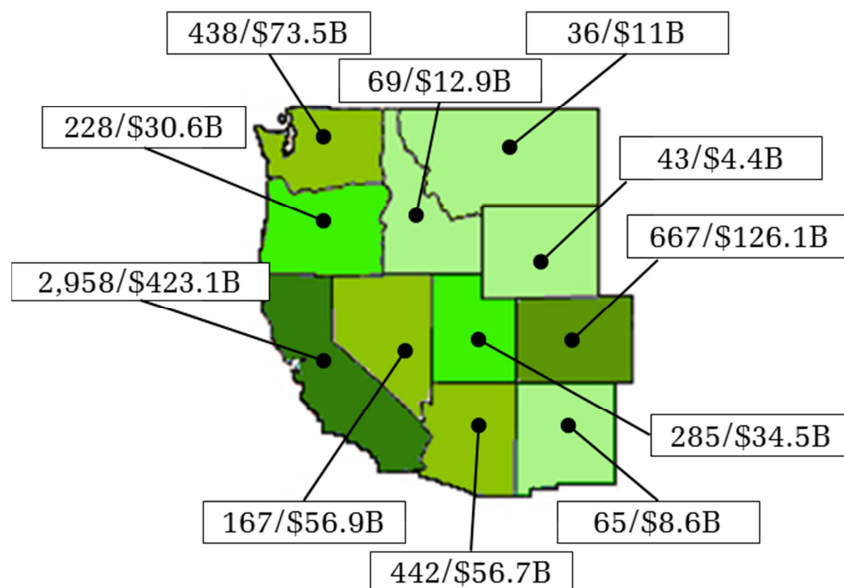
	2012 Small Business Submission		2013 Small Business Submission		Combined 2012/2013 Submission	
	Small Business Loans		Small Business Loans		Small Business Loans	
Regional Solutions Area /County	Count	\$ in Thousands	Count	\$ in Thousands	Count	\$ in Thousands
North, Central & South Central						
Crook	91	\$5,800	92	\$5,323	183	\$11,123
Deschutes	676	\$18,573	830	\$22,784	1506	\$41,357
Hood River	105	\$2,905	106	\$3,229	211	\$6,134
Jefferson	72	\$2,134	60	\$2,369	132	\$4,503
Klamath	175	\$3,391	184	\$5,555	359	\$8,946
Lake	46	\$565	77	\$970	123	\$1,535
Sherman	2	\$26	6	\$35	8	\$61
Wasco	104	\$2,025	104	\$1,407	208	\$3,432
Sub-Total	1271	\$35,419	1459	\$41,672	2730	\$77,091
Greater Eastern & Northeast						
Baker	66	\$1,366	75	\$1,717	141	\$3,083
Gilliam	2	\$69	2	\$52	4	\$121
Grant	35	\$966	23	\$235	58	\$1,201
Harney	56	\$1,794	45	\$1,287	101	\$3,081
Malheur	93	\$4,727	95	\$4,092	188	\$8,819
Morrow	4	\$153	11	\$82	15	\$235
Umatilla	113	\$3,411	182	\$6,200	295	\$9,611
Union	75	\$1,607	58	\$1,175	133	\$2,782
Wallowa	14	\$348	12	\$251	26	\$599
Wheeler	3	\$10	5	\$43	8	\$53
Sub-Total	461	\$14,451	508	\$15,134	969	\$29,585
South Coast & Southern						
Coos	177	\$2,184	182	\$3,169	359	\$5,353
Curry	46	\$715	52	\$823	98	\$1,538
Douglas	357	\$3,822	402	\$6,666	759	\$10,488
Jackson	734	\$20,661	687	\$22,979	1421	\$43,640
Josephine	180	\$5,015	202	\$6,760	382	\$11,775
Sub-Total	1494	\$32,397	1525	\$40,397	3019	\$72,794
North Coast, Mid & South Valley						
Benton	194	\$3,616	195	\$4,753	389	\$8,369
Clatsop	246	\$8,200	274	\$12,002	520	\$20,202
Columbia	195	\$3,657	221	\$2,880	416	\$6,537
Lane	1,302	\$28,620	1,416	\$31,948	2,718	\$60,568
Lincoln	299	\$4,971	285	\$5,578	584	\$10,549
Linn	321	\$6,685	300	\$7,680	621	\$14,365
Marion	1,240	\$28,654	1,211	\$28,852	2,451	\$57,506
Polk	238	\$4,670	208	\$4,859	446	\$9,529
Tillamook	156	\$5,403	206	\$3,644	362	\$9,047
Yamhill	380	\$8,205	345	\$6,268	725	\$14,473
Sub-Total	4571	\$102,681	4661	\$108,464	9232	\$211,145
Metro						
Clackamas	1,850	\$55,996	1,883	\$51,229	3,733	\$107,225
Multnomah	4,074	\$128,189	4,188	\$125,802	8,262	\$253,991
Washington	2,305	\$56,757	2,379	\$61,387	4,684	\$118,144
Sub-Total	8,229	\$240,942	8,450	\$238,418	16,679	\$479,360
Total	16,026	\$425,890	16,603	\$444,085	32,629	\$869,975

³⁰ Source: US Bank

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

Private Equity is a small industry as measured by in-state firms and assets versus neighboring states like California and Washington. Endeavor Capital is one of the few PE firms domiciled in Oregon. Endeavor reports that they invested \$55 million and \$54 million in 2012 and 2013 respectively within the state of Oregon. However, several out of state firms do conduct business within the state. According to the Private Equity Growth Capital Council, Oregon is home to 13 PE firms and has been the recipient of an estimated \$30.6 billion in private equity investments into 228 Oregon based companies from 2004-2013. This compares to \$73 billion invested into Washington-based companies and \$423 billion invested into California-based companies during the same period³¹. Relative to per capita measures, Oregon attracted \$7,786 of PE investments per resident while Washington and California attracted \$10,543 and \$11,035 per resident respectively.³² We include private equity, buyout, and M&A transactions in this report because they often represent the other end of the spectrum of capital for company formation. PE, buyout and M&A often create significant liquidity for founders and business owners that then is available for reinvestment. The wealth created by these transactions is frequently the root source of capital for the Angel/Seed investing ecosystem. Figure T shows a comparison of number of PE-backed companies and total PE dollars invested by state from 2004-2013³³. Table 23 shows PE deals in Oregon and table 24 lists all recorded M&A and IPO events over 2012 & 2013.

Figure T: Private Equity Transaction Summary by Western State 2004-2013
(number of PE backed companies per state / total dollar value)



³¹ Source: privateequityatwork.com/state-by-state

³² Population data sourced from US Census Bureau

³³ Privateequityatwork.com

Table 23: 2012 & 2013 Private Equity Transactions by Regional Solution Area

(* indicates a transaction whose value was unreported)

Regional Solutions Team City / Company	Date	Industry Sector	Reported Value (\$M)
North, Central & South Central			
Bend InEnTec	4/16/2012	Energy & Utilities	\$27.8
North Coast, Mid & South Valley			
Eugene Health & Safety Institute	3/5/2013	Healthcare	*
Dundee Joe Dobbles Wine	2/7/2013	Food & Beverages	*
Metro			
Beaverton			
Genesis Financial Solutions	10/9/2012	Financial	\$25.0
EasyStreet Online Services	1/22/2013	Computer Hardware & Services	*
Genesis Financial Solutions	8/12/2013	Financial	\$40.0
Lake Oswego			
PDX Entertainment	4/24/2012	Leisure	\$9.2
Portland			
Dave's Killer Bread	12/31/2012	Food & Beverages	*
ELT	5/6/2012	Internet	\$20.0
Viewpoint Construction Software	7/25/2012	Software (non-internet/mobile)	\$76.0
New Seasons Market	11/26/2013	Retail (non-internet/mobile)	\$17.6
Integra Telecom	10/11/2012	Mobile & Telecommunications	*
Schrodinger	12/17/2012	Healthcare	*
Tualatin			
SemiTorr Group	10/9/2012	Industrial	\$6.0
Warne Scope Mounts	3/15/2013	Consumer Products & Services	\$1.8
Wilsonville			
Traegar Pellet Grills	7/1/2013	Consumer Products & Services	\$180.0
Sub-Total			\$375.6
Total			\$403.3

Source: CB Insights

Figure U: 2012 & 2013 Mergers & Acquisition Transactions by Regional Solutions Area

(# of transactions and % of total)

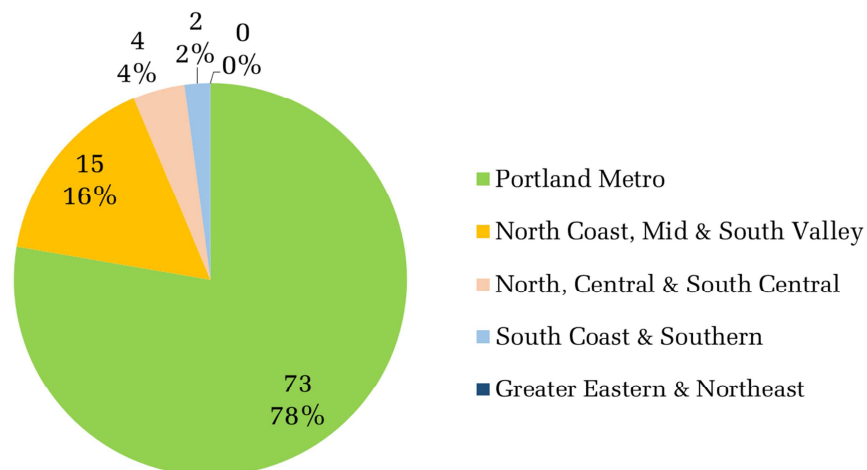


Table 24: 2012 & 2013 M&A/IPO Transactions by Regional Solution Area

Metro					
Company	Transaction	Date	Sector	City	
Icon Time Systems	Acquired	1/11/2012	Software (non-internet/mobile)	Beaverton	
Cayuse	Acquired	1/18/2012	Internet	Beaverton	
VirtenSys	Acquired	1/23/2012	Software (non-internet/mobile)	Beaverton	
Virticus	Acquired	3/20/2012	Energy & Utilities	Beaverton	
Kipe Technology Resources	Acquired	8/5/2012	Computer Hardware & Services	Beaverton	
Encore Imaging Systems	Acquired	11/9/2012	Software (non-internet/mobile)	Beaverton	
Castor & Pollux Pet Works	Acquired	4/18/2012	Consumer Products & Services	Clackamas	
Cerus Industrial	Acquired	8/12/2012	Industrial	Hillsboro	
American Blimp Corporation	Acquired	9/10/2012	Industrial	Hillsboro	
Evergreen EDC	Merger	1/14/2013	Industrial	Hillsboro	
Kentrox	Acquired	4/3/2013	Mobile & Telecommunications	Hillsboro	
Intelligent Power	Acquired	7/25/2013	Energy & Utilities	Hillsboro	
EthicsPoint	Acq - Fin	2/2/2012	Software (non-internet/mobile)	Lake Oswego	
HammerLane Software	Acquired	5/13/2012	Software (non-internet/mobile)	Lake Oswego	
EthicsPoint	Merger	6/21/2012	Software (non-internet/mobile)	Lake Oswego	
Small Society	Acquired	1/4/2012	Mobile & Telecommunications	Portland	
The Advisory Board - OptiLink Software	Acquired Unit	1/23/2012	Business Products & Services	Portland	
CIC	Acquired	1/26/2012	Internet	Portland	
Connected Home Health	Acquired	2/13/2012	Healthcare	Portland	
Gateway Solutions	Acquired	2/23/2012	Internet	Portland	
SweetSpot Diabetes Care	Acquired	2/27/2012	Internet	Portland	
Element Power Texas Wind Development	Acquired Unit	3/27/2012	Energy & Utilities	Portland	
Erickson Air-Crane	IPO	4/11/2012	Industrial	Portland	
CrowdCompass	Acquired	6/19/2012	Mobile & Telecommunications	Portland	
TRM Copy Centers	Acquired	6/21/2012	Business Products & Services	Portland	
Solvport	Acquired	6/21/2012	Computer Hardware & Services	Portland	
ELT	Merger	6/21/2012	Internet	Portland	
Max-Viz	Acquired	7/31/2012	Computer Hardware & Services	Portland	
GreenWood Resources	Acquired	8/6/2012	Industrial	Portland	
Followerwonk	Acquired	8/15/2012	Internet	Portland	
Sports Leadership Institute	Acq - Fin	9/20/2012	Business Products & Services	Portland	
Evanta Ventures	Acq - Fin	9/20/2012	Internet	Portland	
Information Systems Management	Acquired	10/8/2012	Computer Hardware & Services	Portland	
Geoloqi	Acquired	10/15/2012	Mobile & Telecommunications	Portland	
Direct Marketing Solutions	Acq - Fin	10/22/2012	Business Products & Services	Portland	
Centerstance	Acquired	11/7/2012	Computer Hardware & Services	Portland	
Greenlight Transcription	Acquired	11/7/2012	Internet	Portland	
Second Story	Acquired	11/9/2012	Business Products & Services	Portland	
Fios	Acquired	11/30/2012	Software (non-internet/mobile)	Portland	
Bike Gallery	Acquired	12/2/2012	Retail (non-internet/mobile)	Portland	
GetListed.org	Acquired	12/4/2012	Internet	Portland	
Laughing Planet Cafe	Acquired	12/17/2012	Leisure	Portland	
Storycode	Acquired	12/28/2012	Mobile & Telecommunications	Portland	
Giftango	Acquired	1/8/2013	Mobile & Telecommunications	Portland	
AudienceWise	Acquired	1/23/2013	Internet	Portland	
Visere	Acquired	2/4/2013	Mobile & Telecommunications	Portland	
Ignis Systems	Acquired	2/20/2013	Software (non-internet/mobile)	Portland	
Hollywood Theaters	Acquired	4/2/2013	Leisure	Portland	
Lucky Sort	Acq - Talent	5/13/2013	Internet	Portland	
HemCon Medical Technologies	Acquired	5/14/2013	Healthcare	Portland	
Meridian Apps	Acquired	5/17/2013	Mobile & Telecommunications	Portland	

Source: CB Insights

Table 24 (continued): 2012 & 2013 M&A/IPO Transactions by Regional Solution Area

Metro (continued)				
Company	Transaction	Date	Sector	City
AppFog	Acquired	6/13/2013	Internet	Portland
The Hollenbeck Group	Acquired	7/17/2013	Business Products & Services	Portland
Tech 7 Systems	Acquired	7/30/2013	Internet	Portland
Benson Industries	Acquired	7/31/2013	Industrial	Portland
Harry's Fresh Foods	Acquired	8/5/2013	Food & Beverages	Portland
Watershed Sciences	Merger	9/4/2013	Business Products & Services	Portland
Jyte	Acquired	9/9/2013	Internet	Portland
Amplify Interactive	Acquired	10/9/2013	Internet	Portland
GardenChef Paul Company	Acquired	10/25/2013	Food & Beverages	Portland
Perka	Acquired	10/29/2013	Mobile & Telecommunications	Portland
ShiftWise	Acquired	11/22/2013	Internet	Portland
Pioneer Oil Co.	Acquired	12/2/2013	Automotive & Transportation	Portland
Formic Media	Merger	12/9/2013	Internet	Portland
MAC's Thunderbird Parts	Acquired	7/31/2013	Automotive & Transportation	Sherwood
Ichor Systems	Acq - Fin	1/13/2012	Electronics	Tualatin
Decor Manufacturing	Acquired	3/7/2012	Industrial	Tualatin
Lumber Products	Acquired	6/28/2012	Industrial	Tualatin
Warne Scope Mounts	Acq - Fin	3/5/2013	Consumer Products & Services	Tualatin
Northwest Signal Supply	Acquired	8/2/2013	Industrial	Tualatin
Vigilan	Acquired	1/5/2012	Software (non-internet/mobile)	Wilsonville
Masterpiece Investments	Acquired	8/26/2012	Consumer Products & Services	Wilsonville
Christler Chemical & Plastics	Acquired	12/21/2012	Industrial	Wilsonville
North Coast, Mid & South Valley				
Company	Transaction	Date	Sector	City
Western Shelter Systems	Acq - Fin	2/20/2013	Risk & Security	Eugene
Med-Tech Resource	Acq - Fin	4/9/2013	Healthcare	Eugene
Health & Safety Institute	Acq - Fin	8/8/2012	Healthcare	Eugene
Buzz Monkey	Acq - Talent	6/4/2012	Software (non-internet/mobile)	Eugene
Fantuition	Acq - Talent	8/11/2012	Internet	Eugene
RealLead	Acquired	4/23/2012	Mobile & Telecommunications	Eugene
Ridgeline Pipe Manufacturing	Acquired	10/7/2013	Industrial	Eugene
Electrical Geodesics	IPO	4/11/2013	Healthcare	Eugene
Evergreen Helicopters	Acquired Unit	5/5/2013	Automotive & Transportation	McMinnville
Willamette Valley Treatment Center	Acquired	2/4/2013	Healthcare	Salem
Western Tool Supply	Acquired	6/6/2013	Industrial	Salem
O'Brien Auto Group of Salem	Acquired	6/11/2013	Retail (non-internet/mobile)	Salem
Millennium Power Solutions	Acquired	8/26/2013	Electronics	Salem
Willamette Valley Fruit Co - Berry Processing	Acquired Unit	4/26/2013	Food & Beverages	Salem
Pacific Pure-Aid	Acquired	6/24/2012	Food & Beverages	Silverton
North, Central & South Central				
Company	Transaction	Date	Sector	City
ZAM	Acquired	3/14/2012	Internet	Bend
DaKine	Acq - Fin	7/16/2013	Consumer Products & Services	Hood River
Maritime Services Assets	Acquired Unit	10/1/2012	Industrial	Hood River
South Valley Bank & Trust - Trust Department	Acquired Unit	10/1/2012	Financial	Klamath Falls
South Coast & Southern				
Company	Transaction	Date	Sector	City
Accurate Locators	Acquired	6/16/2013	Industrial	Gold Hill
Motorcycle Superstore	Acquired	3/28/2012	Internet	Grants Pass

Source: CB Insights

OREGON GRANTMAKING FOUNDATIONS

Philanthropic foundations in Oregon provide a substantial amount of grant capital, generally to non-profit entities within the region. While this capital has a different purpose and form than other commercial growth capital funding sources, it does provide capital which helps build organizations with full time employed staff within the state. These are a form of business that may be of interest to social and impact entrepreneurs and policymakers who are seeking to build or support the building of large in-state organizations. We include this capital source for this reason as it contributes to the economic development of the State and supports employment within a number of entities. This report does not attempt to separate grants or donations by region within Oregon. The Oregon Community Foundation has published a breakdown of charitable donations to non-profits in Oregon by County for 2011 in their *Giving in Oregon*³⁴ report.

A smaller segment of Foundation and Endowment investing activity comes in the form of what is called *mission-related investing* (MRI) and *program related investing* (PRI). The simplest way to distinguish between the two forms is that PRI is typically positioned as a charitable, below market rate of return, form of investing and is often treated similarly to charitable grants for tax purposes. MRI, on the other hand, can be any investment made in which the investing entity intends to create both a social good that is consistent with the Foundation's stated mission as well as a market rate economic return. In the case of MRI's, the goal of the investment is more than just financial profit.

Table 25: Top Grant Making Foundations in Oregon and Most Recently Reported Grant Totals

	Name	Annual Grants		Name	Annual Grants
1	The Oregon Community Foundation	\$82,148,868	21	Chiles Foundation	\$792,350
2	Intel Foundation	\$40,481,300	22	The Bill Healy Foundation	\$763,370
3	The Ford Family Foundation	\$26,159,959	23	The Carpenter Foundation	\$734,615
4	Meyer Memorial Trust	\$22,175,767	24	Fohs Foundation	\$730,000
5	Nike Foundation	\$13,840,324	25	The Woodard Family Foundation	\$636,675
6	The Lemelson Foundation	\$11,940,587	26	McKenzie River Gathering Foundation	\$617,996
7	The Collins Foundation	\$8,233,800	27	Jubitiz Family Foundation	\$494,200
8	Maybelle Clark MacDonald Fund	\$4,350,829	28	The Jackson Foundation	\$423,752
9	Northwest Health Foundation	\$4,229,947	29	Benton County Foundation	\$364,412
10	The Harold and Arlene Schnitzer CARE Foundation	\$3,075,306	30	Children's Trust Fund of Oregon Foundation	\$321,350
11	Oregon Jewish Community Foundation	\$2,136,195	31	Bonneville Environmental Foundation	\$292,476
12	The PacifiCorp Foundation for Learning	\$1,575,500	32	Four Way Community Foundation	\$291,847
13	Juan Young Trust	\$1,400,000	33	Mentor Graphics Foundation	\$286,749
14	JELD-Wen Foundation	\$1,375,960	34	Wessinger Foundation	\$268,000
15	The Salem Foundation	\$1,029,467	35	The James R. Kuse Foundation	\$241,000
16	The Autzen Foundation	\$979,473	36	The Roundhouse Foundation	\$235,475
17	The Herbert A. Templeton Foundation	\$941,422	37	Lamb Foundation	\$232,700
18	PGE Foundation	\$874,933	38	Western Lane County Foundation	\$209,504
19	The Lazar Foundation	\$826,845	39	William L. and Ruth T. Pendleton Memorial Fund	\$204,564
20	Chambers Family Foundation	\$817,092	40	The Larson Legacy	\$200,009

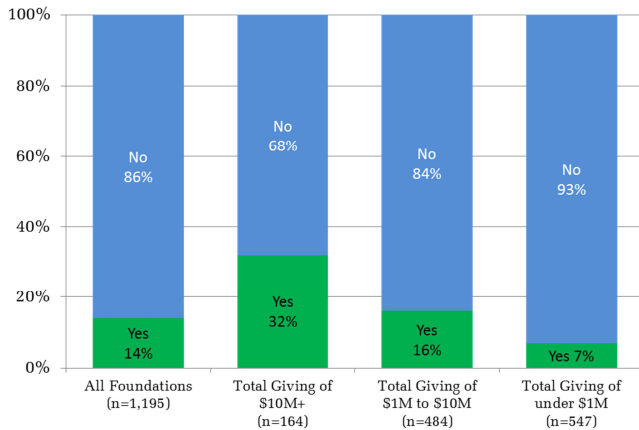
Source: The Grantsmanship Center. Compiled list based on IRS 990 most recent year available

For those looking to build a business that might appeal to MRI/PRI investor interest, both MRI and PRI may be accessible depending on the type of company being built. One of the major differences will be the cost of capital and return expectations demanded by the Foundation investor. Those seeking this form of capital should also understand that most MRI/PRI programs account for a very small proportion of a Foundation's total assets and are often managed by a dedicated professional who may or may not work in the same department as those who manage the overall investment

³⁴ https://www.oregoncf.org/Templates/media/files/reports/giving_in_oregon_2013/giving_in_oregon_2013.pdf

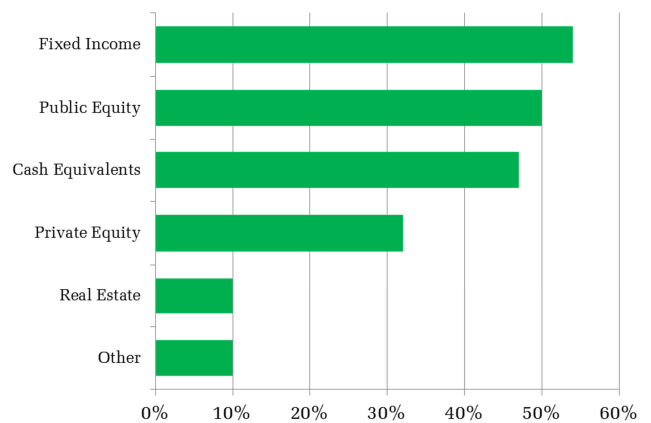
portfolio of the Foundation. Often, Foundations will effectively outsource their MRI/PRI investments by choosing to invest in strategically aligned funds versus making direct company investments. Mission related investing may still be in the early phases of its adoption across the Foundation landscape, but its use is expanding. The Foundation Center published a report in 2011 that indicated that larger foundations with annual giving rates in excess of \$10 million are leading the adoption. Figures V and W show the adoption by size and into what asset classes these foundations are making MRI investments.

Figure V: Foundation Engagement in Mission Investing by Foundation Size, 2011



Source: The Foundation Center, *Key Facts on Mission Investing*, 2011.

Figure W: Share of Foundation Assets Held as Market-rate Mission-Related Investments, 2011



Source: The Foundation Center, *Key Facts on Mission Investing*, 2011.

Most foundations list the areas of grant interest and MRI/PRI interest in alignment with their stated missions directly on their website. They also file reports with the Internal Revenue Service which frequently detail their grants awarded by recipient institution. Those seeking to match their project needs with the appropriate foundation are well served to research a foundation’s prior grant and reported investment history in order to assess first order scale and fit alignment. The Mission Investor’s Exchange maintains a database of foundation MRI investing nationally. Since 2010, they have recorded 454 investments totaling over \$690 million³⁵.

The Meyer Memorial Trust (MMT) reports that it has been making program related investments since 1984, and in 2005 the trustees decided to prioritize PRIs as an investment strategy. MMT has invested in charitable causes such as affordable housing, community development, cultural organizations, and disaster relief. Of more interest to the audience of this report, MMT has also invested in economic development including entrepreneurship and micro-businesses. More details and eligibility requirements can be found on the MMT webpage.³⁶

An example of a PRI investment from MMT aimed at helping businesses grow in Oregon was their \$2 million award to Craft3 in September 2013. The award was meant to support Craft3’s growth with a grant to help establish Central and Eastern Oregon offices and a loan to support expansion of lending to individuals and businesses throughout Oregon.

On the MRI front, in September 2103, MMT committed investments to the Portland Seed Fund and Ecotrust Forest Management. Though not within the time focus of this report, MMT announced in

³⁵ www.missioninvestors.org

³⁶ www.mmt.org/program/pri

April 2014 that they would support the Invest Oregon initiative by redirecting a portion of their \$800 million assets toward investments in Oregon and Southwest Washington. MMT selected Threshold Group, a Pacific Northwest-based investment advisory firm, as a partner in researching place-based investment opportunities with the greatest potential for social, environmental, and regional economic impact.

V. CONCLUSIONS

THE CAPITAL GAPS FROM 2012 OREGON CAPITAL SCAN REPORT CONTINUE TO EXIST – BUT THE TREND IS IMPROVING

The eight gaps identified in 2012 continue to exist at varying levels of severity and discussions with entrepreneurs in the region support the conclusion that there remains insufficient funding sources for:

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

What our updated research shows is that the extent of the gaps for seed stage capital (Gap #1) has narrowed with the creation or growth of a number of seed and Angel groups around the state. While there is never enough capital to satisfy everyone, we are moving closer to being able to fund the most worthy companies in-state without imported capital. Venture Capital and Private Equity capital (Gaps #3 & #4), however, remain scarce, particularly for in-state resident capital. This shortage is most visible in the domains of clean technology and life sciences as they are active start-up sectors nationally. In Oregon, the sports and outdoor cluster and the food and agriculture sectors are underserved as they are in most other states. Because these are two significant clusters in Oregon, the impact of capital scarcity is a more meaningful gap and one where improvements may have a material impact on company formation and employment.

MORE CAPITAL SOURCES ARE AVAILABLE IN OREGON THAN MOST ENTREPRENEURS COMMONLY KNOW ABOUT – BETTER COMMUNICATIONS NEEDED

In our research for this report, we identified a spectrum of funding sources that are not well known or understood by many prospective entrepreneurs and those attempting to bridge from bootstrapped funding to institutional capital sources in Oregon. We conclude that a lack of common knowledge and experience with a portfolio of funding options is a constraint on new company formation rate within the State. Those who control these sources of capital may be well served to review their communications and outreach strategy. Even when our research team was making a focused effort to catalog sources of capital and access protocols, we found a broad non-uniform landscape and few guides that might help us navigate. It can only be assumed that individuals with far less experience and financial acumen may be discouraged from even attempting to launch a venture for a lack of confidence that funding sources can be identified and eventually secured.

BUSINESS CAPITAL LADDER EDUCATION IS A GAP

Related to the previous conclusion is the issue of the funding ladder, or how a business moves from one funding source to the next as they develop along a growth path. So many times, in the experience of our research team, we have witnessed entrepreneurs who were poorly educated in how to approach any particular rung of the funding ladder and the professional firms who manage those funds. In an industry where impressions of competence can be made very quickly by those who control investments, having a limited set of thoroughly experienced business leaders who have completed the cycle from start-up to mature company creates a relatively underdeveloped community of mentors, employees, CEOs, and service providers to lend critical advice to emerging entrepreneurs at every stage. Oregon has some strong support groups for more mature growth companies such as YPO (Young Presidents Organization), EPO (Oregon Evergreen Presidents Organization), WPO (World Presidents Organization for graduates of YPO), and WPO (Women's Presidents Organization). For new and emerging growth companies there is the Oregon Entrepreneurs Network, TiE Oregon, RAIN, and various incubators and accelerators that host groups of Mentors, but this growth has been fairly recent in its expansion and we are only beginning to see the impact of richer set of resources to help educate those who need it. Community organizations, , Small Business Development Centers (SBDCs), entrepreneurial associations, colleges and universities in the State can all play a role in the educational process. Even at the High School level, groups like Young Entrepreneur's Business Week (YEBW) could be supported and enrolling many more young people across the state.

TOP OF THE FUNDING FUNNEL (ANGEL/SEED/INCUBATORS/ACCELERATORS) HAS SEEN SIGNIFICANT IMPROVEMENT

As was evidenced in this report, the availability of Angel and seed funding has expanded materially in the past few years in Oregon and, along with the growth in the number of accelerators and incubators statewide, is generating a much improved soil bed for the growth of new enterprises. What has happened in Portland Metro area is happening in Eugene, Corvallis, Bend, Beaverton, and Ashland. As downtown renovations have created energized urban centers, there has been a growth in co-working spaces and incubators. It seems that the current generation of young business entrepreneurs prefers these collaborative co-working spaces. These infrastructure additions have been attracting Angel investors and mentors as well. While this is only the beginning of the pipeline and the state will need to attract significant growth stage capital sources in order to allow the best of the seed companies to expand in state, the process begins here.

STILL TOO FEW RESIDENT VENTURE CAPITAL, PRIVATE EQUITY AND MEZZANINE FUNDS DEDICATED TO SOURCING INVESTMENTS IN OREGON

VC money in Oregon has had a history of ebbs and flows. Looking at the Oregon VC/PE landscape as of 2013, one sees a dearth of resident funds. This is frequently lamented as a significant constraint on company formation, retention, and growth in the State. While difficult to contest this conclusion, this report evidences that significant venture and private equity financing did occur within the state over the past two years. The majority of that capital is currently being imported from California, Washington, and New York as might be expected. Further, Oregon lags behind its regional neighbors in volume of transactions in VC/PE. The simple truth is that money tends to prefer to invest locally, but will travel to find investments with great merit. Those who have raised capital in Oregon can attest that outstanding performance will attract capital. As for resident capital, there tends to be lag between good early-stage deals filling the pipeline, a few prestige exits and the local establishment of VC/PE firm offices. With the recent growth in Angel/seed funding activity and some of the larger VC/PE deals recently, it would be reasonable to expect that more VC/PE firms will come to Oregon to set up local offices in the coming years.

CROWDFUNDING IS A NEW AND GROWING PART OF FUNDING ECOSYSTEM – CAN OREGON TAKE FULL ADVANTAGE?

There has been an explosion in the capital being funneled through crowd-funding platforms worldwide and while it is still early with respect to understanding trends in format, volume, and best practices – not to mention regulatory frameworks – one can argue that crowdfunding has become a widely acknowledged form of capital to be considered for the earliest stages of new company financing. Crowd-funding formats are continuing to evolve and Oregon would be well served to create a welcoming, if not advantaged, environment for crowd-funding platforms to experiment and develop.

FOUNDATIONS PRESENT A SIGNIFICANT CAPITAL SOURCE TO IN-STATE MISSION ALIGNED GROWTH BUSINESSES AS MRI ACTIVITY BECOMES MAINSTREAM

Another emerging category of funding opportunity can be found in Oregon's Foundations, Pensions and Endowments. As they become more sophisticated in how MRI might be applied, not as a charitable exercise as PRI is considered, but as a market-rate return strategy that is aligned with the mission of the organization, they can unlock significant financial power to further their desired impact mission. This will require the addition of a uniquely trained set of professionals who can apply the best of the financial fiduciary portfolio management skills with an ability to assess, manage and extract mission impact value in concert with desirable financial returns.

VI. RECOMMENDATIONS

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

MORE EDUCATION AND MENTORSHIP RESOURCES NEEDED TO ACCELERATE THE BUSINESS FUNDING LADDER LEARNING RATE AND SUPPORT INFRASTRUCTURE

Do more to develop, fund, and encourage the creation of education and mentorship resources in clusters around the state. Grouped by region and/or by business sector, entrepreneurs would benefit from access to more experienced business leaders and investors. Creating forums for the purveyors of different forms of capital to educate aspiring business builders as to the customs, expectations and norms related to their capital type would help lower the understanding barrier that prevents or impedes new business formation and growth. This training could be delivered through curriculum within high-schools, summer programs, universities, community colleges, or through the many accelerators, incubators, and Angel investment groups as well as through independent entrepreneurial associations like OEN and TiE. What is crucial is to educate on more than just the first rounds of capital. To quote Stephen Covey, the renowned leadership trainer, these entrepreneurs must “begin with the end in mind”. That is, they must understand the full ladder and what constitutes a fundable profile at each stage of development. Not to say that they have to be able to predict their future, certainly that would be absurd and most of these companies will experience significant deviations from their best laid plans, but even when pivoting their business plan an entrepreneur needs to understand what the next fundable stage looks like. Collaboration between various accelerators, incubators, and support organizations is critical.

ACCELERATORS AND INCUBATORS NEED TO FORM CONSORTIUMS OF RESOURCES STATEWIDE

With the expansion of entities delivering incubator and accelerator services in the state, there arises an opportunity to create “universal access passes” across entities so that duplication of services can be reduced and the availability of resource types to individual entrepreneurs is expanded. For example, it would be wonderful if PNCA BridgeLab users could take advantage of a Portland State Business Accelerator workshop with minimal membership friction. That is, could there be sharing agreements instituted by regional and pan-regional accelerators that create a “universal membership card” that enables cross-usage? If a robust statewide ecosystem is desired, the boundaries and distances between Portland, Eugene, Bend, Corvallis and Ashland need to be reduced. Only through pooling our talents and creating reciprocal membership engagements will Oregon be able to compete with regions like the Bay Area in California, Seattle, Vancouver, Boulder and other emerging hot spots for attracting and enabling company formation.

TAX INCENTIVES TO ENCOURAGE SMALL BUSINESS INVESTING THROUGH ANGEL/SEED NETWORKS AROUND THE STATE

The personal tax paradigm within the State of Oregon was mentioned by a number of wealthy Angel investors as a disincentive to earning income and investing within the State. While that should come as no surprise, there may be creative strategies to counterbalance that reality with incentives to foster reinvestment by Angels into emerging growth companies – and the concurrent engagement of those previously successful business leaders with the mentoring of new management teams. For example, what if qualified Angel investors (as defined by SEC regulations) were allowed to write down to zero immediately the value of their Angel investment for state tax purposes (with some limitation on size) into a qualified (determinants of qualification could be developed) investment or pooled Angel group fund as it makes investments within the State. This action would give Angels a path to proactively time tax deductions which can be of great value while retaining the tax-liability for all gains that may result from future liquidity events (and therefore state revenues). You might see a surge of Angel investments being made before each tax year deadline.

We would recommend a group of interested policy makers convene to discuss this and other ways to incentivize those with accumulated wealth to reinvest both their experience and their money into the next generation of emerging businesses.

TRACK THE QUANTITY OF QUALIFIED INVESTORS IN THE STATE AND DEVELOP POLICIES AND PROGRAMS TO RETAIN AND TRAIN THEM TO INCREASE PARTICIPATION.

A suggestion that was surfaced during our discussions with business leaders and Angel investors was that some entity (State or private) ought to embark on a study of the net State inflow and outflow of residents who meet the requirements of a Qualified Investor (the SEC defines this as persons with in excess of \$1M of net worth, not including residential property, or annual taxable income in excess of \$200K for individuals or \$300K for joint return). There was a frequently mentioned belief that Oregon’s is a less favorable residence for those whose wealth makes them potential candidates for Angel investments, and presumably, mentoring of younger entrepreneurs. While policymakers should work to find ways to retain and incentivize qualified investors to reside and invest in Oregon, other existing entrepreneurial support organizations can develop expanded resources for educating potential qualified investors and encourage more frequent participation in early stage financing opportunities.

TAX AND BUSINESS INCENTIVES TO ENCOURAGE SMALL BUSINESS FORMATION AND RESIDENCE IN OREGON

States like New York have developed attractive tax incentives for start-up companies to form and reside within their state. Most recently, New York announced their START-UP NY program. The tortured acronym stands for SUNY Tax-free Areas to Revitalize and Transform Upstate NY. The statewide program aims to spur economic development by enabling universities to identify areas where new and expanding businesses can operate for 10 years without paying New York State business, corporate, income, sales or property taxes, or franchise fees.

The other area where state and city governments can make a significant impact on company formation is by creating redevelopment resources and incentives for a wide range of companies to upgrade former industrial and warehouse districts in or near city centers. The Pearl District in Portland, the downtown core of Eugene and Bend have attractive density and qualities that lure the current generation of technology workers – many of whom are in software domains and have come to show a preference for renovated warehouse districts with coffee shops and chic restaurants. Investing in the creation of the preferred work neighborhoods can be an effective way for cities to create the conditions for accelerators and incubators to take root.

FOUNDATIONS SHOULD SEEK TO ACCELERATE IMPLEMENTATION OF MRI INVESTING ACTIVITIES

Mission-related investing paradigms can be effective ways to channel the significant resources of regional foundations, endowments and pensions to further advance regional economic prosperity through business formation and growth. Currently, only a minority of foundations have engaged in this new paradigm, in part, because it requires the addition of a new set of skills and professional resources to properly engage in this activity. Some of Oregon's largest foundations have been early adopters of this new paradigm and we recommend that those leaders continue to expand their allocation to mission related investing consistent with entrepreneurial business growth. Further, it is hoped that they continue to expand their charitable grant allocation to those organizations state-wide that foster and educate entrepreneurship at all levels. It is worth noting that many of the great fortunes that are the source of our State's foundations and endowments came from entrepreneurs and those who dared to grow new businesses in Oregon. It seems right and aligned that these same organizations should embrace the investment into creating similar success while furthering their own prosperity.

THE PORTLAND SEED FUND IS A SUCCESSFUL MODEL FOR CITIES/COUNTIES TO JUMP START THE SMALL BUSINESS CAPITAL PIPELINE AND COULD BE EMULATED THROUGHOUT THE STATE.

Other city and regional policymakers might study the example of the Portland Seed Fund for a model to be replicated in other parts of the state. A public-private combination of funds that was initially launched by the Portland Development Commission's commitment of funds, the PSF has gone on to raise a more significant pool of accompanying private funds. The PSF makes generally small (~\$25,000) initial seed stage investments in many companies within a portfolio. The professional managers then apply best practices for training and mentorship. As a way to jump start local investor syndicate formation in other cities around Oregon, the PSF is one appealing model that may warrant emulation.

OREGON SHOULD EMBRACE CROWD-FUNDING MODELS TO EXPAND FINANCING OPPORTUNITIES FOR TRADITIONAL NON-VENTURE TARGETED BUSINESS SECTORS.

Policymakers and those who seek to support entrepreneurship and new company formation in Oregon should: (1) promote the study of the area of crowd-funding and develop recommendations for how to attract more crowd-funding platforms to be active in Oregon; (2) create training for local entrepreneurs in best practices for creating a crowdfunding campaign and (3) develop ways to incentivize Oregon residents to participate in crowd-funding campaigns for resident companies. Grantmaking organizations interested in fostering more entrepreneurial activity might explore how they too might set aside a pool of capital to be applied to crowdfunding campaigns that are appealing to their interests/mission. It is predicted that crowdfunding platforms will play an increasingly large role in the capital sourcing ecosystem over the coming years and Oregon needs to be and be seen as a great place for inventive, next-generation funding models to flourish.

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

This report provides a unique broad landscape snapshot of the status of the Oregon capital ecosystem. It can be useful for both educating entrepreneurs as to the breadth of capital types and scale that might contribute to a portfolio of funding for new enterprises also provides insights to policy makers and those who hope to enable entrepreneurs to take root in Oregon soil. For this reason, the report should be published at regular intervals and be viewed as a yardstick by which we measure our progress and plan our future actions. In this year's case, it has also been a valuable educational tool for the student team that contributed to its creation. More young graduates who understand the details of the many rungs of the business funding ladder in Oregon can only help us all.

[THIS PAGE LEFT BLANK]

VII. APPENDIX

DEFINITIONS / GLOSSARY

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

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

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

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

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

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

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

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

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

domain expertise and a competitive drive to win. VC firms tend to have specific industry domain and stage of development preferences and expertise.

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

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

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

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

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

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

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

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

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

PWC BY STATE VENTURE FUNDING



PricewaterhouseCoopers/National Venture Capital Association
 MoneyTree™ Report, Data: Thomson Reuters
 Investments by Region Q1 2012 - Q4 2013



Amount Invested in Millions of Dollars

Region	2012					2013				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2012 Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2013 Total
AK/HI/PR	\$1	\$0	\$0	\$0	\$1	\$0	\$0	\$2	\$1	\$2
Colorado	\$136	\$167	\$190	\$97	\$589	\$69	\$118	\$161	\$100	\$448
DC/Metroplex	\$221	\$204	\$216	\$116	\$758	\$266	\$490	\$447	\$315	\$1,518
LA/Orange County	\$590	\$535	\$469	\$487	\$2,081	\$368	\$437	\$474	\$466	\$1,745
Midwest	\$346	\$332	\$449	\$291	\$1,419	\$132	\$221	\$378	\$381	\$1,112
New England	\$756	\$876	\$838	\$1,076	\$3,546	\$735	\$844	\$855	\$925	\$3,360
North Central	\$103	\$80	\$103	\$74	\$360	\$73	\$70	\$100	\$135	\$378
Northwest	\$295	\$196	\$174	\$333	\$998	\$169	\$237	\$154	\$503	\$1,063
NY Metro	\$384	\$646	\$514	\$817	\$2,360	\$566	\$706	\$706	\$1,133	\$3,111
Philadelphia Metro	\$128	\$61	\$183	\$57	\$429	\$144	\$144	\$81	\$84	\$452
Sacramento/N.Cal	\$8	\$11	\$0	\$1	\$20	\$0	\$0	\$3	\$13	\$17
San Diego	\$383	\$344	\$256	\$225	\$1,208	\$203	\$180	\$240	\$146	\$768
Silicon Valley	\$2,310	\$3,429	\$2,723	\$2,649	\$11,111	\$2,324	\$2,948	\$3,674	\$3,318	\$12,264
South Central	\$18	\$5	\$59	\$13	\$95	\$9	\$100	\$23	\$9	\$141
Southeast	\$125	\$225	\$225	\$226	\$802	\$291	\$403	\$225	\$370	\$1,289
SouthWest	\$106	\$111	\$96	\$292	\$605	\$103	\$62	\$157	\$143	\$466
Texas	\$414	\$187	\$143	\$210	\$954	\$546	\$187	\$255	\$345	\$1,333
Upstate NY	\$13	\$2	\$20	\$13	\$49	\$15	\$10	\$33	\$55	\$113
Grand Total	\$6,338	\$7,412	\$6,657	\$6,978	\$27,385	\$6,014	\$7,157	\$7,968	\$8,441	\$29,580

Number of Deals

Region	2012					2013				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2012 Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2013 Total
AK/HI/PR	1	0	0	3	4	0	0	1	2	3
Colorado	27	25	30	23	105	16	23	21	22	82
DC/Metroplex	46	35	47	36	164	31	31	53	56	171
LA/Orange County	70	67	61	71	269	64	65	64	67	260
Midwest	67	76	81	86	310	85	100	107	124	416
New England	112	117	116	122	467	95	106	115	109	425
North Central	13	11	13	16	53	18	11	20	24	73
Northwest	41	35	36	41	153	44	38	40	45	167
NY Metro	91	115	92	111	409	99	103	122	126	450
Philadelphia Metro	24	27	30	46	127	34	33	30	39	136
Sacramento/N.Cal	1	2	0	2	5	1	1	2	3	7
San Diego	26	32	22	28	108	27	19	29	24	99
Silicon Valley	254	336	293	353	1,236	294	336	324	318	1,272
South Central	4	4	8	6	22	6	10	6	7	29
Southeast	37	47	50	39	173	37	55	59	61	212
SouthWest	19	18	23	24	84	25	18	18	21	82
Texas	48	39	38	40	165	34	32	38	52	156
Upstate NY	4	2	6	11	23	6	10	9	12	37
Grand Total	885	988	946	1,058	3,877	916	991	1,058	1,112	4,077

PWC BY STATE VENTURE FUNDING (CONTINUED)

PricewaterhouseCoopers/National Venture Capital Association
 MoneyTree™ Report, Data: Thomson Reuters
 Investments by State Q1 2012 - Q1 2013



STATE	Q1 2012		Q2 2012		Q3 2012		Q4 2012		Q1 2013		Q2 2013		Q3 2013		Q4 2013	
	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M	Deals	Amount \$M
AL	1	\$5.5	2	\$3.3	3	\$14.3		\$0.0		\$0.0		\$0.0	4	\$2.2	1	\$3.0
AR	1	\$5.0		\$0.0		\$0.0		\$0.0	1	\$2.0	2	\$83.4		\$0.0	1	\$0.2
AZ	8	\$64.9	6	\$24.2	1	\$22.5	5	\$131.8	5	\$6.3	7	\$13.0	5	\$68.9	8	\$25.2
CA	351	\$3,290.6	437	\$4,319.4	376	\$3,447.7	454	\$3,362.6	386	\$2,895.1	421	\$3,564.6	419	\$4,390.5	412	\$3,943.0
CO	27	\$135.5	25	\$166.6	30	\$190.1	23	\$96.7	16	\$68.8	23	\$118.5	21	\$161.4	22	\$99.5
CT	13	\$60.2	12	\$18.6	9	\$22.5	16	\$51.4	11	\$29.4	18	\$40.4	10	\$58.8	13	\$53.0
DC	10	\$45.5	3	\$1.5	10	\$13.0	3	\$0.1	13	\$137.2	8	\$30.1	3	\$30.9	10	\$89.0
DE	1	\$0.2		\$0.0	1	\$0.4	5	\$9.0	2	\$60.1	1	\$9.5		\$0.0	2	\$1.2
FL	5	\$37.4	12	\$96.6	11	\$28.8	8	\$41.0	8	\$20.4	17	\$167.7	13	\$105.0	11	\$132.3
GA	14	\$46.0	15	\$54.6	15	\$103.5	10	\$57.9	6	\$186.8	12	\$132.4	15	\$51.3	7	\$32.2
HI	1	\$0.6		\$0.0		\$0.0	2	\$0.0		\$0.0		\$0.0	1	\$1.0	2	\$0.7
IA	1	\$5.0		\$0.0		\$0.0		\$0.0	1	\$6.0	1	\$16.5		\$0.0		\$0.0
ID	2	\$7.2		\$0.0	1	\$0.0	1	\$8.0		\$0.0		\$0.0	2	\$6.5		\$0.0
IL	17	\$130.2	20	\$169.9	25	\$152.4	21	\$142.0	9	\$21.4	26	\$56.4	32	\$178.6	26	\$178.6
IN		\$0.0	7	\$23.0	3	\$39.1	7	\$22.1	7	\$16.4	4	\$4.5	1	\$0.1	3	\$4.5
KS	2	\$8.0	2	\$2.4	4	\$24.6	4	\$12.6	1	\$3.1	3	\$4.7	2	\$20.5	4	\$4.6
KY		\$0.0	1	\$2.6	4	\$20.4	2	\$0.6	3	\$1.0	1	\$2.3	2	\$7.5	1	\$4.6
LA		\$0.0		\$0.0	2	\$9.3	1	\$0.1	1	\$2.0	4	\$11.2	1	\$0.3	1	\$1.3
MA	103	\$728.2	106	\$837.8	103	\$797.1	115	\$1,013.4	80	\$635.5	88	\$790.4	101	\$785.3	100	\$891.4
MD	15	\$119.7	9	\$50.4	22	\$161.6	9	\$76.0	11	\$121.2	13	\$317.6	26	\$140.5	21	\$55.9
ME	2	\$1.3	2	\$4.5	2	\$7.0		\$0.0	2	\$5.0	1	\$6.6	1	\$15.3		\$0.0
MI	12	\$48.3	9	\$34.9	13	\$111.2	15	\$49.3	15	\$19.5	13	\$5.0	18	\$25.7	27	\$57.6
MN	8	\$91.1	5	\$48.6	9	\$86.1	10	\$28.4	10	\$37.5	3	\$26.0	11	\$88.6	15	\$120.9
MO		\$0.0	3	\$6.9	6	\$5.8	3	\$8.8	6	\$17.2	10	\$19.6	8	\$13.6	13	\$26.8
MS	1	\$0.2	2	\$8.6		\$0.0	1	\$1.0		\$0.0	1	\$0.2	1	\$0.5	1	\$0.5
MT	1	\$1.6	2	\$1.8	2	\$1.5	1	\$0.8		\$0.0		\$0.0	1	\$0.0		\$0.0
NC	7	\$14.8	7	\$36.8	11	\$44.1	10	\$86.3	8	\$40.9	12	\$74.2	12	\$34.0	18	\$110.5
ND	1	\$2.4		\$0.0		\$0.0		\$0.0	1	\$10.1		\$0.0	1	\$7.0	1	\$7.0
NE		\$0.0	1	\$1.9	2	\$0.5	1	\$0.7	1	\$1.5	1	\$4.0	5	\$3.3	2	\$2.2
NH	2	\$17.3	1	\$12.0	3	\$4.3	2	\$27.0	8	\$67.4	3	\$2.6	6	\$32.6	2	\$0.8
NJ	11	\$50.9	20	\$90.8	12	\$86.6	12	\$189.0	8	\$80.2	15	\$170.3	11	\$20.0	8	\$49.6
NM	4	\$13.5	2	\$4.0	4	\$2.0	5	\$15.6	8	\$11.1	3	\$10.4	2	\$1.3	4	\$4.0
NV	1	\$2.0		\$0.0	2	\$0.1	2	\$6.2	1	\$0.0	2	\$1.0	1	\$8.0	1	\$0.7
NY	74	\$286.8	92	\$551.6	81	\$460.4	97	\$598.1	87	\$471.1	88	\$556.6	112	\$669.4	121	\$1,091.9
OH	16	\$131.9	17	\$52.0	11	\$53.6	16	\$44.2	20	\$37.2	22	\$104.7	19	\$98.3	22	\$71.4
OK	1	\$5.1	2	\$2.8	2	\$24.7	1	\$0.4	3	\$2.0	1	\$1.0	3	\$2.2	1	\$3.0
OR	11	\$29.1	7	\$6.5	7	\$40.2	5	\$48.8	12	\$79.1	8	\$15.3	10	\$26.5	8	\$17.7
PA	44	\$164.1	41	\$95.2	45	\$214.5	61	\$64.6	56	\$103.1	53	\$120.4	56	\$134.8	60	\$119.9
PR		\$0.0		\$0.0		\$0.0	1	\$0.1		\$0.0		\$0.0		\$0.0		\$0.0
RI	3	\$8.4	2	\$12.0	6	\$29.0	4	\$35.6	3	\$20.5	6	\$33.3	1	\$0.5	3	\$27.4
SC	1	\$14.0	1	\$0.0		\$0.0	3	\$25.5	2	\$24.0		\$0.0	1	\$7.6	12	\$54.1
SD	1	\$0.0		\$0.0		\$0.0		\$0.0		\$0.0	1	\$11.9		\$0.0		\$0.0
TN	8	\$7.2	8	\$25.3	10	\$34.6	7	\$14.1	13	\$18.7	13	\$28.6	13	\$24.7	11	\$37.3
TX	48	\$414.0	39	\$187.2	38	\$142.6	40	\$210.5	34	\$546.4	32	\$186.7	38	\$255.3	52	\$344.6
UT	6	\$25.9	10	\$82.8	16	\$71.6	12	\$138.2	11	\$86.0	6	\$37.7	10	\$79.3	8	\$113.2
VA	21	\$56.2	22	\$138.6	13	\$40.9	24	\$40.0	7	\$8.1	10	\$142.4	24	\$275.3	24	\$168.5
VT		\$0.0	4	\$4.4	1	\$0.0		\$0.0	2	\$6.9	3	\$2.5	4	\$11.7	1	\$0.4
WA	27	\$257.6	26	\$187.9	26	\$131.9	34	\$275.0	32	\$89.8	30	\$221.6	28	\$120.8	37	\$485.4
WI	2	\$4.5	5	\$29.7	2	\$16.0	5	\$45.1	5	\$18.4	5	\$11.5	3	\$1.3	6	\$4.7
WV		\$0.0	1	\$13.9	2	\$0.7		\$0.0		\$0.0		\$0.0		\$0.0	1	\$1.2
Grand Total	885	\$6,337.8	988	\$7,412.0	946	\$6,657.0	1,058	\$6,978.2	916	\$6,014.5	991	\$7,157.0	1,058	\$7,967.9	1,112	\$8,441.1

7(a) LOANS

1. Standard 7(a)

Applicant applies to lender for loan; Lender applies to SBA for guaranty if they determine it is necessary

- a. Max Amount:
 - i. \$5million gross (\$3.75 million guaranty)
- b. Percent of Guaranty:
 - i. 85% of loan of \$150,000 or less; 75% of loans over \$150,000
- c. Use of Proceeds:
 - i. Expansion/renovation
 - ii. new construction, purchase land or buildings
 - iii. purchase equipment, fixtures, lease- hold improvements
 - iv. working capital
 - v. refinance debt for compelling reasons
 - vi. short term line of credit, inventory
- d. Maturity:
 - i. Depends on ability to repay. Generally working capital and machinery and equipment (not to exceed life of equipment) is 5-10 years
 - ii. real estate 25 years
- e. Maximum interest rates:
 - i. When maturity < 7 years: Wall Street Prime, LIBOR + 3.0, or SBA Peg Rate plus allowable spread: 2.25%
 - ii. When Maturity ≥ 7 years: 2.75%
- f. Guaranty Fees:
 - i. Check with local SBA District office for current information
- g. Who Qualifies:
 - i. Must be for profit and meet SBA size standards
 - ii. Show good character, credit management, and ability to repay
 - iii. Must be eligible type of business
- h. Benefits to Borrowers:
 - i. Long-term financing
 - ii. Improves cash flow
 - iii. Fixed maturity
 - iv. No balloons
 - v. No repayment penalty (under 15 years)

2. SBA Express

Lender Approves; Minimal SBA paperwork for lenders

- a. Max Amount:
 - i. \$1,000,000
- b. Percent of Guaranty:
 - i. Lender provided a 50% guaranty from SBA
- c. Use of Proceeds:
 - i. Same as Standard 7(a) or may be used for revolving lines of credit
- d. Maturity:
 - i. Same as Standard 7(a) for loan terms
 - ii. Revolving lines of credit up to 7 years
- e. Maximum Interest Rates:
 - i. Check with local SBA District Office for current information
- f. Guaranty Fees:
 - i. Check with local SBA District Office for current information
- g. Who Qualifies:
 - i. Same as Standard 7(a)
- h. Benefits to Borrowers:
 - i. Fast turn around
 - ii. Streamlined process
 - iii. Easy-to-use line of credit

3. Patriot Express

Lender approves loan; minimal additional; SBA paperwork

- a. Max Amount:
 - i. \$500,000

- b. Percent of Guaranty:
 - i. Same as standard 7(a)
 - c. Use of Proceeds:
 - i. Same as Standard 7(a) except cannot be revolving
 - d. Maturity:
 - i. Same as Standard 7(a) for loan terms
 - e. Maximum Interest Rates:
 - i. Same as Standard 7(a)
 - f. Guaranty Fees:
 - i. Same as Standard 7(a)
 - g. Who Qualifies:
 - i. Same as Standard 7(a) plus must be owned and controlled by one or more of the following groups equaling 51% total ownership:
 - 1. Veteran
 - 2. Active-duty military
 - 3. Reservist or National Guard member
 - 4. spouse of an of these groups
 - 5. widowed spouse of service member or veteran who died during service or of service-connected disability
 - h. Benefits to Borrowers:
 - i. Lower interest rate maximums than other SBA Express programs
 - ii. Less paperwork
 - iii. Fast turnaround
 - iv. Expanded eligibility
 - v. Electronic application
4. **CAPLines**
 Short-term/revolving lines of credit; seasonal contract builders, standard/small asset-based
- a. Max Amount:
 - i. \$5,000,000 (small asset based limit to \$200,000)
 - b. Percent of Guaranty:
 - i. Same as standard 7(a)
 - c. Use of Proceeds:
 - i. Finance seasonal working capital needs
 - ii. Cost to perform
 - iii. Construction costs
 - iv. Advances against existing inventory and receivables
 - v. Consolidation of short-term debts
 - d. Maturity:
 - i. Up to 5 years
 - e. Maximum Interest Rates:
 - i. Same as Standard 7(a)
 - f. Guaranty Fees:
 - i. Same as Standard 7(a)
 - g. Who Qualifies:
 - i. Same as Standard 7(a) plus a business that needs specialized proceeds this program offers
 - h. Benefits to Borrowers:
 - i. Provides short-term working capital
 - ii. structured to meet business needs
 - iii. funds to perform on an assignable contract, to cover seasonal needs, to build or renovate personal or commercial space, and to obtain funds against existing current assets
5. **International Trade**
 to help business obtain fixed assets used on producing goods and services to be exported
- a. Max Amount:
 - i. \$5,000,000
 - b. Percent of Guaranty:
 - i. Same as standard 7(a)
 - c. Use of Proceeds:
 - i. For the acquisition of long-term, fixed assets plus working-capital loans associated with international trade
 - d. Maturity:
 - i. Up to 25 years

- e. Maximum Interest Rates:
 - i. Same as Standard 7(a)
 - f. Guaranty Fees:
 - i. Same as Standard 7(a)
 - g. Who Qualifies:
 - i. Same as Standard 7(a) plus business must be engaged/ preparing to engage in international trade/adversely affected by competition from imports
 - h. Benefits to Borrowers:
 - i. Long-term financing for land and building where assets are used to produce products for export
6. **Exporting Working Capital Program**
 1-page application, fast turnaround, may apply for prequalification letter
- a. Max Amount:
 - i. \$5,000,000 (may be combined with International Trade loan)
 - b. Percent of Guaranty:
 - i. Most guaranteed at 90%
 - c. Use of Proceeds:
 - i. Short-term, working capital loans for exporters
 - d. Maturity:
 - i. Up to 3 years but matched single transaction cycle or generally 1 year for line of credit
 - e. Maximum Interest Rates:
 - i. Established by lender
 - f. Guaranty Fees:
 - i. Same as Standard 7(a)
 - g. Who Qualifies:
 - i. Same as Standard 7(a) plus must have been in business for at least one year
 - h. Benefits to Borrowers:
 - i. Short-term working capital for export needs
 - ii. Inexpensive minimum guaranty fee when maturity one year (one quarter of one percent)
 - iii. Revolving or transactional based
 - iv. Allows specific financing for exporting without disrupting domestic financing and business plan
7. **Small loan Advantage**
 PLP lenders request guarantees using streamlined forms
- a. Max Amount:
 - i. \$250,000 gross loan amount
 - b. Percent of Guaranty:
 - i. Same as standard 7(a)
 - c. Use of Proceeds:
 - i. Same as Standard 7(a) except cannot be revolving
 - d. Maturity:
 - i. Same as Standard 7(a)
 - e. Maximum Interest Rates:
 - i. Same as Standard 7(a)
 - f. Guaranty Fees:
 - i. Same as Standard 7(a)
 - g. Who Qualifies:
 - i. Applicants seeking loans of \$250,000 or less who apply to PLP lenders
 - h. Benefits to Borrowers:
 - i. PLP lenders may be more willing to provide financing to applicants seeking smaller loans with the streamlined application forms
8. **Community Advantage**
 Allows mission-oriented lenders focused on economic development in underserved markets to apply for 7(a) guaranty on loan the propose to make to an otherwise eligible small business
- a. Max Amount:
 - i. \$250,000 gross loan amount
 - b. Percent of Guaranty:
 - i. Same as standard 7(a)
 - c. Use of Proceeds:
 - i. Same as Standard 7(a) except cannot be revolving and cannot be used to refinance loans made by or guaranteed by the Dept. of Agriculture or loans by SBA Micro-Lenders using their SBA intermediary loan
 - d. Maturity:
 - i. Same as Standard 7(a)

- e. Maximum Interest Rates:
 - i. Same as Standard 7(a) except allowable "Spread" is +4% rather than base +2.25% or 2.75%
- f. Guaranty Fees:
 - i. Same as Standard 7(a)
- g. Who Qualifies:
 - i. Loan eligibility requirements are same for Standard 7(a) loans but the business should be located in an underserved market
- h. Benefits to Borrowers:
 - i. Borrower's underserved markets have more choices on the types of lenders who can provide them financing if their financing needs and SBA guaranty and the technical assistance needs the applicant are assessed by the lender

NON-7(a) LOANS

1. Microloans

Loans through non-profit lending organizations; technical assistance also provided

- a. Max Amount:
 - i. \$50,000 (total loan amount to small business borrower)
- b. Percent of Guaranty:
 - i. Not Applicable
- c. Use of Proceeds:
 - i. Purchase machinery and equipment, fixtures, lease-holding improvements
 - ii. Finance increased receivables
 - iii. Working Capital
- d. Maturity:
 - i. Shortest term possible, not to exceed 6 years
- e. Maximum Interest Rates:
 - i. Check with local SBA District Office for current information
- f. Guaranty Fees:
 - i. Not Applicable
- g. Who Qualifies:
 - i. Same as 7(a)- Must be for profit, meet SBA size standards
 - ii. Show good character, credit, management, and ability to repay
 - iii. Must be an eligible type of business- except nonprofit daycare
- h. Benefits to Borrowers:
 - i. Direct loans from nonprofit intermediary lenders
 - ii. Fixed-rate financing
 - iii. Very small loan amounts
 - iv. Technical assistance available

2. 504 Loans

Fixed asset, financing provided by certified development companies (CDCs) and Third Party Lenders

- a. Max Amount:
 - i. Up to \$5,000,000
- b. Percent of Guaranty:
 - i. 100% guaranty on 504 portion
 - ii. No guaranty on third party portion
- c. Use of Proceeds:
 - i. Long-term, fixed asset loans
- d. Maturity:
 - i. 10 to 20 year term
- e. Maximum Interest Rates:
 - i. Check with local SBA District Office for current information
- f. Guaranty Fees:
 - i. Check with local SBA District Office for Current information
- g. Who Qualifies:
 - i. For profit business that do not exceed \$15 million in tangible net worth and do not have average net income over \$5 million for past 2 years
- h. Benefits to Borrowers:
 - i. Fees under 3%
 - ii. Long-term fixed rate
 - iii. Low down payment
 - iv. Full amortization
 - v. No balloons



Rural Business-Cooperative Service Loan and Grant Programs

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who can apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>What can funds be used for?</i>	Typical Amount of Assistance	Rates & Terms <i>Rates subject to change</i>	Key to Success	When to Apply
B&I Guaranteed Loans Business & Industry Guaranteed Loan	Provide an incentive for business lending that will save & create jobs (typically for larger businesses)	USDA guarantees business loans made by commercial lenders to rural businesses	Banks, credit unions and other commercial lenders who make loans to rural businesses	Areas outside the boundaries of a city or town of > 50,000 population and the unincorporated area adjacent to such city or town; also considers "rural in character" and strings in determining rural areas.	The loans guaranteed can be used for real estate, equipment, working capital & refinancing - for nonfarm businesses	90% loan guarantees for loans up to \$5 million; 70% on loans up to \$10 million	Negotiated by business & lender; fixed or variable rates, typically near prime (no balloons)	Lender-driven; have a bank willing to make the loan (USDA only guarantees (i); business with strong equity & collateral)	Year round
IRP Intermediate Relending Program	Capitalize locally-run revolving loan programs for small businesses unable to qualify for bank financing	USDA loans money to a local revolving loan fund for relending to nonfarm businesses	Nonprofit groups, tribes & public bodies who will make loans to rural businesses and community projects	Unincorporated areas & <25,000 population cities	The loan is used to set up a loan program that makes business loans for nonfarm, rural businesses	loans up to \$1,000,000 in a fiscal year to relenders to make loans up to \$150,000 to businesses	1% - 30 years to re-lender to make loans at negotiated rates and terms to rural businesses and community projects	Funding is limited, so these loans tend to go only to loan funds that will serve the neediest areas	Year round with a quarterly competition at the national level
RMAP Rural Microentrepreneur Assistance Program	Capitalize locally-run revolving microloan programs that offer both microloans and counseling for microbusinesses	Loans to a local revolving loan fund for microloaning; generally with companion grant support for business counseling	Nonprofit micro-entrepreneur development organizations, tribes and colleges	Same as B&I Guaranteed Loan Program	To set up a microloan fund from which loans of \$50,000 or less are made; the companion grant provides business help to the microborrowers	Loans up to \$500,000 in a fiscal year with annual companion grant equal to 25% of the microloan portfolio size	2% - 20 years to re-lender for microloans at lender-determined rates & terms of not more than 10 years	Microlender must provide technical assistance and training along with administering the revolving loan fund.	Year round with a quarterly competition at the national level
RBEG Rural Business Enterprise Grant	Support economic development projects that will assist specific small & emerging private businesses	Grants to local economic development groups to assist private business development	Nonprofit economic development groups, tribes, & public bodies (cities/counties)	Same as B&I Guaranteed Loan Program	To do a feasibility study, provide technical assistance to businesses, provide job training, set up a revolving loan fund, or develop infrastructure	The average amount of a grant is <\$100,000	Grant	Limited funding; tends to go only to neediest areas; cannot be used for regional planning or business attraction	Once-a-year competition at state level
RED Loan Rural Economic Development Loan	Promote specific community or business development projects improving the local economy	Loans to certain utilities that are in turn re-loaned for local community or business projects	Electric & telephone utilities eligible for USDA's Rural Utilities Service	Areas outside the boundaries of a city or town of >50,000 population and the unincorporated area contiguous and adjacent to such city or town	The RED Loan is re-loaned by the utility to a nonfarm business or community project for real estate & equipment	Loans up to \$2,000,000	Loan is zero%, re-loaned at zero%, 10 years	Requires a community-oriented nonprofit or cooperative utility willing to borrow & re-lend on the project's behalf	Year round with a monthly competition at national level
RED Grant Rural Economic Development Grant	Promote specific community development projects to improve the rural economy	Grants to certain utilities to capitalize a revolving loan fund for community projects	Electric & telephone utilities eligible for USDA's Rural Utilities Service	Same as RED Loan.	Grant is used to set up a revolving loan fund; the initial grant funds must be used for a community facility, education or health care project	\$300,000 grant maximum	Grant.	Requires a community-oriented nonprofit or cooperative utility willing to oversee a loan fund; requires 20% match	Year round with a monthly competition at national level
VAPG Value-Added Producer Grant	Support producers in ventures that will increase the return on their agricultural commodities	USDA provides matching grants for value-added ventures	Farmers, ranchers, foresters and fishers; coops; producer groups & joint ventures	No rural area requirement	Grants for planning or working capital to operate value-added ventures; minimum 1:1 match required	\$100,000 (planning); \$300,000 (working capital)	Grant	Application requirements are complex, so consult with USDA well in advance of application deadline	Once-a-year competition at national level

USDA RURAL BUSINESS-COOPERATIVE SERVICE LOAN AND GRANT PROGRAMS



Rural Business-Cooperative Service Loan and Grant Programs

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who can apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>What can funds be used for?</i>	Typical Amount of Assistance	Rates & Terms <i>Rates subject to change</i>	Key to Success	When to Apply
RB06G Rural Business Opportunity Grant	Promote sustainable economic development in rural areas	USDA makes grants to organizations who provide business and economic development services	Nonprofit corporations, institutions of higher education, public bodies, Indian Tribes on Federal or state reservations or other Federally-recognized tribal groups, and cooperatives whose members are primarily rural residents	Areas outside the boundaries of a city or town of > 50,000 population and the urbanized area contiguous and adjacent to such city or town; also considers "rural in character" and strings in determining rural areas.	Business development services, entrepreneur and manager training, establishment of business support centers, community or regional economic development planning, communications training for international business development.	<\$100,000	Grant Rates subject to change	Limited funding; grants tend to help projects that help the neediest areas, contribute significant funds to the project, or meet strategic initiatives	Once-a-year competition at national level
SSDPG Small Socially Disadvantaged Producer Grant	Foster business success of small, socially-disadvantaged agricultural producers	USDA makes grants for technical assistance projects	Coops or CDCs where a majority of the governing board are socially-disadvantaged producers	Unincorporated areas and cities with <50,000 population	Feasibility or market studies, product improvement, training or legal advice.	≤\$200,000	Grant for 1 year or less project period	Preference for experience & projects that help the most producers & smaller, poorer communities	Once-a-year competition at national level
RCDDG Rural Cooperative Development Grant	Facilitate job creation in rural areas through the development of new cooperatives	USDA makes grants to organizations to provide cooperative development services	Nonprofit corporations and institutions of higher education	Unincorporated areas and cities <50,000 population	Establish and operate centers that assist rural cooperatives	<\$200,000 (established each year in FR notice)	Grant for 1 year or less project period; up to 75% (95% for 1994 Institution) of costs of the cooperative centers	Limited funding; grants tend to go to areas applicants demonstrating the best track record and capability for cooperative development	Once-a-year competition at national level
DHCS Delta Health Care Services	Support the unmet health care needs of the Delta Region	USDA makes grants to cooperatives or consortiums in the Delta Region for development of health related services and programs and centers.	Health Care Cooperatives or a Consortium of Academic Health and Research Institutes, Regional Institutes of higher education, economic development entities	Any area not included within (a) the boundaries of any incorporated city, village, or borough having a population in excess of 50,000 inhabitants and (b) any urbanized area contiguous and adjacent to a city or town described and that is located within the Delta Region	To develop health care services, health care job and education training programs or for the development or expansion of health care centers	200,000 – 2,500,000	Grant	Limited funding; grants tend to go to projects helping areas with the most need	Once-a-year competition available to the Delta Region Only.
REAP Grants Renewable Energy Systems and Energy Efficiency Improvements	Promote the use of Renewable Energy Systems and Energy Efficiency Improvements	USDA makes grants to agricultural producers (e.g., farmers, ranchers) and rural small businesses	Agricultural producers and rural small businesses	Areas outside the boundaries of a city or town of > 50,000 population and the urbanized area contiguous and adjacent to such city or town; also considers "rural in character" and strings in determining rural areas.	Renewable energy systems (wind, solar, biomass, biogas, biogas, biofuel, digesters, geothermal & micro-hydro) and energy efficiency improvements	Renewable Energy Systems grants from \$2500 to \$500,000. Energy Efficiency Improvements grants range from \$1500 to \$250,000 (maximum grant assistance is 25% of project costs)	Grant	Program has various thresholds and application contents vary; consult with USDA well in advance of deadline; grants ≤\$20,000 are encouraged	Applications can be submitted at any time, but Notice establishes a substantial date by which applications must be received to compete for funding



Rural Business-Cooperative Service Loan and Grant Programs

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who can apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>What can funds be used for?</i>	Typical Amount of Assistance	Rates & Terms <i>Rates subject to change</i>	Key to Success	When to Apply
REAP Loan Guarantees Renewable Energy Systems & Energy Efficiency Improvements	Promote the use of Renewable Energy Systems and Energy Efficiency Improvements	USDA guarantees loans made by lenders to agricultural producers & rural small businesses	Banks and other commercial lenders who make loans to agricultural producers and rural small businesses	Same as REAP Grants	The loans guaranteed can be used for the purchase & installation of renewable energy systems and energy efficiency improvements	85-60% loan guarantees on \$5,000 to \$25 million loans	Negotiated by business & lender; fixed or variable rates, REAP grant	Lender-submits the application to USDA. Loan guarantee requests may be combined with a REAP grant	Year round
REAP Grants Feasibility Studies	Fund feasibility studies for renewable energy systems eligible for REAP grants and guaranteed loans	USDA makes grants to agricultural producers and rural small businesses	Agricultural producers and rural small businesses	Same as REAP Grants	Help cover the costs of activities that are specific to completion of the feasibility study conducted by an independent consultant	≤ \$50,000 or 25% of total eligible project costs, whichever is less	Grant	Competitive national awards	Annual competition at national level
REAP Grants Energy Audit and Renewable Energy Development Assistance	To assist agricultural producers and rural small businesses by conducting energy audits and providing information on renewable energy and energy efficiency	Grants to entities to provide agricultural producers and rural businesses with energy audits and/or information to promote the use of renewable energy	State or local governments, tribes, colleges, and publicly owned utilities	Same as REAP Grants	Help cover the costs of activities specific to the completion of the energy audit or renewable energy development assistance	≤\$100,000	Grant; agricultural producers and rural small businesses must pay at least 25 percent of energy audit costs	Very competitive; experienced multi-county or statewide programs favored; cost per audit of ≤\$2,000	Annual competition at national level
Advanced Biofuel Payment Program (9005)	To support and ensure an expanding production of advanced biofuels	USDA makes payments based on production of advanced biofuels	Producers of advanced biofuels (biofuels other than ethanol derived from corn kernel starch)	No rural area requirement	No restrictions	Funds are shared among all enrolled producers per BTU; type of feedstock and type of advanced biofuel affects payment level	Incentive payment	Enroll in the program during the annual sign-up period	Annual enrollment (October) at the State Office level.
Biorefinery Assistance Program (9003)	Provide an incentive for the construction of first-of-a-kind biorefineries to produce advanced biofuels	USDA guarantees loans made by commercial lenders	Individuals, entities, tribes, State and local government units, corporations, farm cooperatives, ag producers, national laboratories, higher education institutions, rural electric cooperatives, public power entities, and consortiums of the above	No rural area requirement	Development, construction, and retrofitting of new and emerging technologies for the development of advanced biofuels	Loan guarantees of up to \$250 million, not to exceed 80 percent of total eligible project costs; 80% guarantee on loan amounts <\$125 million; 70% for \$125 million to less than \$150 million; 60% for \$150 million to less than \$200 million; 60% for \$200 million up to and including \$250 million	Negotiated by business & lender; fixed or variable rates, typically near prime (no balloons); maximum term length is 20 years or useful life of the project, whichever is less	Lender-driven; have a bank willing to make the loan (USDA only guarantees it); businesses with strong equity & collateral; feedstock supply	Once-a-year competition at national level

More information on all of these programs is online at: www.rurdev.usda.gov



UNIVERSITY
OF OREGON

**Lundquist
College of Business**