

Distressed Area Methodology

Ways & Means Subcommittee Followup
3/8/2017

Business Oregon gives priority in some programs to geographic areas determined to be economically distressed as prescribed by Oregon law.

Below is a list of identified distressed areas in Oregon. This information is posted publically on the agency's web page at: <http://www.oregon4biz.com/Publications/Distressed-List/>. The agency will publish updated lists every year at the end of December under the normal methodology and every month under the temporary methodology (temporary methodology is used when state unemployment rate is over 8%).

Following the list is an explanation of the methodology.

Distressed Areas in Oregon, 2017

Posted January 9, 2017

Distressed Counties, 2017

County	Index Components				2017 Distressed Index	
	Relative U-Rate	Relative PCPI	Payroll Change	Employment Change	Distressed Index	Index <1.0
Oregon	1.00	1.00	1.14	1.06	1.21	Non-Distressed
Baker	0.83	0.80	1.10	1.01	0.74	Distressed
Benton	1.33	0.95	1.09	1.05	1.44	Non-Distressed
Clackamas	1.10	1.13	1.14	1.06	1.50	Non-Distressed
Clatsop	1.02	0.92	1.09	1.05	1.07	Non-Distressed
Columbia	0.79	0.89	1.15	1.06	0.85	Distressed
Coos	0.75	0.88	1.11	1.01	0.74	Distressed
Crook	0.67	0.83	1.07	1.04	0.62	Distressed
Curry	0.67	0.88	1.10	1.02	0.67	Distressed
Deschutes	0.95	1.01	1.23	1.12	1.33	Non-Distressed
Douglas	0.74	0.82	1.12	1.04	0.71	Distressed
Gilliam	0.88	1.00	1.09	0.99	0.94	Distressed

Grant	0.64	0.88	1.14	1.00	0.65	Distressed
Harney	0.78	0.87	1.14	1.04	0.81	Distressed
Hood River	1.21	1.05	1.13	1.01	1.44	Non-Distressed
Jackson	0.83	0.93	1.12	1.05	0.91	Distressed
Jefferson	0.77	0.73	1.12	1.08	0.69	Distressed
Josephine	0.72	0.82	1.18	1.07	0.75	Distressed
Klamath	0.71	0.80	1.09	1.02	0.63	Distressed
Lake	0.73	0.84	1.12	1.04	0.71	Distressed
Lane	0.97	0.91	1.13	1.05	1.04	Non-Distressed
Lincoln	0.84	0.89	1.09	1.02	0.83	Distressed
Linn	0.83	0.85	1.13	1.05	0.84	Distressed
Malheur	0.88	0.69	1.05	0.99	0.63	Distressed
Marion	0.93	0.85	1.15	1.07	0.97	Distressed
Morrow	0.98	1.01	1.43	1.02	1.45	Non-Distressed
Multnomah	1.14	1.12	1.12	1.06	1.53	Non-Distressed
Polk	1.00	0.84	1.17	1.08	1.06	Non-Distressed
Sherman	0.90	1.31	1.25	1.06	1.58	Non-Distressed
Tillamook	0.98	0.87	1.16	1.07	1.07	Non-Distressed
Umatilla	0.88	0.83	1.05	1.03	0.78	Distressed
Union	0.90	0.83	1.11	1.01	0.84	Distressed
Wallowa	0.72	0.96	1.15	1.05	0.84	Distressed
Wasco	1.00	0.94	1.08	0.97	0.98	Distressed
Washington	1.19	1.19	1.18	1.06	1.77	Non-Distressed
Wheeler	1.10	0.83	1.05	0.98	0.93	Distressed
Yamhill	1.08	0.89	1.15	1.06	1.17	Non-Distressed

Source: Business Oregon, based on data from the U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis and Oregon Employment Department.

Distressed Cities/Places, 2017

Non-Distressed County	Distressed City/Place	2011-2015 ACS				2017 Distressed	
		BA or Higher	U-Rate	PCPI	Poverty Rate	Sum Over Average	SUM>=3
	Oregon	30.8%	9.3%	\$27,684	16.5%		
Benton	Albany	24.5%	11.8%	\$22,563	19.8%	4	Distressed
	Blodget	0.0%	N/A	\$14,721	30.4%	4	Distressed
	Philomath	36.2%	10.8%	\$24,658	19.3%	3	Distressed
Clackamas	Barlow	19.4%	6.9%	\$17,210	21.1%	3	Distressed
	Estacada	10.2%	9.0%	\$21,149	24.3%	3	Distressed
	Jennings Lodge	21.5%	12.9%	\$27,108	15.8%	3	Distressed
	Johnson City	11.3%	9.7%	\$19,028	16.3%	3	Distressed
	Molalla	12.6%	9.6%	\$23,614	8.7%	3	Distressed
Clatsop	Astoria	30.1%	6.5%	\$26,151	19.7%	3	Distressed
	Gearhart	30.1%	4.5%	\$26,892	19.7%	3	Distressed
	Jeffers Gardens	8.3%	22.9%	\$17,722	13.7%	3	Distressed
	Seaside	21.8%	9.9%	\$25,792	19.3%	4	Distressed
	Warrenton	20.7%	6.2%	\$22,372	16.7%	3	Distressed
Deschutes	La Pine	17.5%	15.7%	\$19,619	23.0%	4	Distressed
	Redmond	18.9%	16.5%	\$19,119	24.7%	4	Distressed
	Three Rivers	24.0%	8.8%	\$26,963	19.1%	3	Distressed
Hood River	Cascade Locks	16.8%	12.0%	\$20,309	18.6%	4	Distressed
	Odell	5.9%	9.9%	\$16,158	5.5%	3	Distressed
Lane	Cottage Grove	12.7%	13.5%	\$17,768	22.5%	4	Distressed
	Creswell	15.9%	9.7%	\$23,137	6.8%	3	Distressed
	Eugene	39.7%	9.4%	\$26,493	24.4%	3	Distressed
	Florence	22.9%	10.2%	\$24,362	14.2%	3	Distressed

	Junction City	15.3%	13.0%	\$19,240	22.8%	4	Distressed
	Oakridge	14.5%	14.0%	\$21,789	21.4%	4	Distressed
	Springfield	15.9%	10.6%	\$19,759	21.5%	4	Distressed
	Veneta	17.3%	14.0%	\$20,400	25.2%	4	Distressed
	Westfir	11.2%	14.3%	\$23,099	12.5%	3	Distressed
Morrow	Boardman	6.7%	5.9%	\$16,489	25.5%	3	Distressed
	Heppner	22.7%	5.7%	\$21,581	21.5%	3	Distressed
	Ione	19.6%	10.8%	\$25,744	7.5%	3	Distressed
	Irrigon	10.8%	12.6%	\$16,255	15.8%	3	Distressed
Multnomah	Fairview	19.5%	6.3%	\$24,485	16.6%	3	Distressed
	Gresham	19.4%	10.6%	\$21,946	21.3%	4	Distressed
	Troutdale	23.6%	11.9%	\$25,705	14.5%	3	Distressed
	Wood Village	11.2%	10.0%	\$17,845	33.2%	4	Distressed
Polk	Dallas	20.5%	12.5%	\$22,719	16.7%	4	Distressed
	Falls City	11.0%	15.6%	\$15,828	25.7%	4	Distressed
	Grand Ronde	8.9%	10.4%	\$19,980	8.7%	3	Distressed
	Independence	19.0%	13.2%	\$16,501	24.8%	4	Distressed
	Monmouth	34.0%	10.5%	\$16,702	32.3%	3	Distressed
	Salem	27.0%	10.6%	\$23,076	18.2%	4	Distressed
	Willamina	12.3%	15.1%	\$17,709	22.8%	4	Distressed
Sherman	Grass Valley	29.1%	6.0%	\$27,607	27.8%	3	Distressed
	Moro	17.6%	12.0%	\$17,177	23.6%	4	Distressed
	Rufus	4.7%	0.0%	\$18,552	29.8%	3	Distressed
	Wasco	10.5%	16.0%	\$21,382	33.4%	4	Distressed
Tillamook	Garibaldi	14.6%	8.7%	\$22,746	18.0%	3	Distressed
	Idaville	6.0%	44.5%	\$14,063	17.2%	4	Distressed
	Pacific City	26.9%	35.2%	\$16,628	31.6%	4	Distressed

	Rockaway Beach	24.2%	10.8%	\$19,672	20.0%	4	Distressed
	Tillamook	11.2%	9.1%	\$17,289	31.6%	3	Distressed
	Wheeler	16.3%	11.0%	\$24,786	9.0%	3	Distressed
Washington	Cornelius	11.8%	13.1%	\$17,660	12.5%	3	Distressed
	Forest Grove	24.0%	9.8%	\$21,749	16.9%	4	Distressed
	Gaston	9.6%	10.6%	\$23,883	5.5%	3	Distressed
Yamhill	Amity	11.1%	17.4%	\$19,635	17.1%	4	Distressed
	Carlton	14.6%	10.0%	\$21,620	5.1%	3	Distressed
	Dayton	14.2%	14.8%	\$17,586	19.9%	4	Distressed
	Gaston	9.6%	10.6%	\$23,883	5.5%	3	Distressed
	Grand Ronde	8.9%	10.4%	\$19,980	8.7%	3	Distressed
	McMinnville	21.3%	11.6%	\$22,769	21.2%	4	Distressed
	Newberg	27.3%	8.0%	\$23,512	20.5%	3	Distressed
	Sheridan	10.5%	20.5%	\$14,433	19.4%	4	Distressed
	Willamina	12.3%	15.1%	\$17,709	22.8%	4	Distressed

Source: *Business Oregon*, based on data from the U.S. Census Bureau, 2011-2015 American Community Survey Five-Year Estimates.

The formula for establishing an area as distressed is set in rule, under OAR 123-024-0031:

Methodology for Determining Distressed Areas

The department will consider a county, City, or other geographic area to be a distressed area under one of the following methods:

(1) Using the most recent data available on the date of calculation, a county is considered distressed when, an index is calculated as the product of the values calculated using four composite factors. It is distressed if its index is less than 1.0. If the index is more than 1.0 the county is considered non-distressed. The following are the four factors used to determine a distressed county:

- (a) The state's unemployment rate divided by the county's unemployment rate;
- (b) The county's per capita personal income divided by the state's per capita personal income;
- (c) The change in the county's average covered payroll per worker over a two year period;
- (d) The sum of the change in the county's employment over a two year period; or

(2) A city outside of a county identified as a distressed area under subsection (1) of this section may be designated as distressed when its variable values are below the designated threshold value as determined by at least three of the four indicators listed below. The threshold values for each of the four indicators shall be determined by using reliable data from each of the distressed counties based on a demonstrated methodology, as approved by the director of the department. Threshold values are calculated using the most recent 5 year American Community Survey data from the U.S. Census Bureau.

(a) Percent of city population 25 years old and over with a bachelor's degree or higher. The threshold value for variable A is the percent of Oregon population 25 years old and over with a bachelor's degree or higher. If the percent of city population 25 years old and over with a bachelor's degree or higher is higher than the percent of Oregon population 25 years old and over with a bachelor's degree or higher, this value is above the threshold and not distressed.

(b) The city's unemployment rate. The threshold value for variable B is Oregon's unemployment rate. If the city's unemployment rate is lower than Oregon's unemployment rate, this value is below the threshold and not distressed.

(c) Percent of the city population below the poverty level. The threshold value for variable C is the percent of Oregon population below the poverty level. If the percent of the city's population below the poverty level is lower than the percent of Oregon population below the poverty level, this value is below the threshold and not distressed.

(d) The city's per capita personal income. The threshold value for variable D is Oregon's per capita personal income. If the city's per capita personal income is higher than Oregon per capita personal income, this value is higher than the threshold and not distressed.

(3) A county, City, or other geographic area that has demonstrated in writing, through a Temporary Distressed Petition, to the satisfaction of the director of the department, that it is suffering or is likely to suffer economic distress equal to or greater than those counties and cities qualifying as distressed areas under subsections (1) and (2) of this section. The director shall have the authority to declare counties, cities, and other geographic areas distressed as allowed under the Temporary Methodology for Determining Distressed Areas, OAR 123-024-0046.

Oregon Investment Advantage Program

Ways & Means Subcommittee Followup

3/8/2017

The following is a list of current users of the Oregon Investment Advantage (OIA) program. Additional detail on each is available on the [state transparency web site](#), and linked from our own [public records page](#) as well if further details are desired.

Fiscal Yr	Business Firm Name	Facility Location City
2016	Apple Inc.	Prineville OR
2016	Bernett Research	Tangent OR
2016	Calbee North America	Boardman OR
2016	Chaves Consulting/Arikkan	Baker City OR
2016	Columbia River Logistics	Umatilla OR
2016	Edge Industries, Inc,	Baker City OR
2016	Frank Pellets, LLC	Mill City OR
2016	Lane Manufacturing	Lebanon OR
2016	Lowe's	Lebanon OR
2016	Murphy Company	Sutherlin OR
2016	Oregon Resources Corp.	Coos Bay OR
2016	PC Energy, LLC	Ontario OR
2016	TDS, Inc./TEAM Tech	Bend OR
2016	Vitesse, LLC (Facebook)	Prineville OR
2016	ZeaChem/ZAT (2)	Boardman OR

5G Wireless Technology

Ways & Means Subcommittee Followup

3/8/2017

5G, or fifth generation wireless technology, is the next generation of fast, flexible wireless connectivity. It is expected to support speeds 10-100 times faster than today's 3G and 4G LTE technologies with the low latency needed to support data applications including the Internet of Things. Current expectations are for 5G to be deployed beginning in 2020.

5G is expected to have a positive effect on economic development nationwide with extensive new investment in network infrastructure, projected at over \$275 billion, which will create up to three million jobs and increase GDP by \$500 billion [according to a study commissioned by the wireless industry](#). 5G also has potential as a solution to address broadband deployment in rural areas through a "fixed wireless" application.

The Oregon Broadband Advisory Council (OBAC) received a briefing on 5G from Tom Gurr, Executive Director of Pacific Technology Alliance on February 23rd. Business Oregon received a briefing from the Alliance and from AT&T on February 6th. 5G is an important developing technology that is driving large investments and will be an ongoing topic of public policy discussions at OBAC.

5G technology was included in OBAC's 2016 *Broadband in Oregon* report which was submitted to the Legislative Assembly on November 1st, and is available at <http://www.orinfrastructure.org/Infrastructure-Programs/Telecommunications/OBAC/Reports/BroadbandRpt2016.pdf>

Business Oregon is a sponsor and key contributor to the *Oregon Connections Telecommunications Conference* which focused on mobility technologies and applications in 2016. With the theme of "Generation Mobility," the conference explored broadband enabled mobile applications, devices, and the impact of mobility technologies including 5G on how we live and work www.oregonconnections.info. 5G will also be a topic for the 2017 conference with the theme of "Networks of the Future."

OBAC and Business Oregon work to generate awareness of all broadband technologies, related issues, and their potential for economic and community development.