# Mid-Columbia Regional Innovation Hub

October 2023

Prepared for: Mid-Columbia Economic Development District (MCEDD)

**Final Report** 



ECONOMICS · FINANCE · PLANNING

KOIN Center 222 SW Columbia Street Suite 1600 Portland, OR 97201 503-222-6060 This page intentionally blank

# Acknowledgements

ECONorthwest prepared this report for Mid-Columbia Economic Development District (MCEDD). ECONorthwest and MCEDD thank those who helped develop the Mid-Columbia Innovation Hub Final Report.

#### Leadership Team Members

- Anna Osborn, The Next Door
- Michael Held, Business Oregon
- Cindy Bradley, Skamania County Economic Development Council
- Kevin Greenwood, Port of Hood River
- Richard Foster, Klickitat County

- Dan Spatz, Columbia Gorge Community College
- Gregory Price, Small Business Development Center - CGCC
- Margie Ziegler, Port of Klickitat
- Pat Albaugh, Port of Skamania
- Andrea Klaas, Port of the Dalles

#### MCEDD

- Jessica Metta
- Carrie Pipinich
- Kristyn Fix

#### **Consulting Team (ECONorthwest)**

- Bob Parker
- Kryn Sausedo
- Nicole Underwood

#### **Client Contact:**

Jessica Metta, Executive Director Mid-Columbia Economic Development District 802 Chenowith Loop Rd, The Dalles, OR 97058 (541) 296-2266

- Jonathon Ely
- Jolie Brownell

#### **ECONorthwest Contact:**

Kryn Sausedo, Project Manager ECONorthwest 222 SW Columbia, Suite 1600 Portland, OR 97201 503.200.5069 sausedo@econw.com

# Table of Contents

1.	FROM ORCHARDS TO OCTOCOPTERS: INNOVATION IN THE GORGE	1
2.	WHAT FOUNDATIONAL BARRIERS CONSTRAIN INNOVATION?	6
3.	WHAT INNOVATION ELEMENTS ARE MISSING?	8
4.	WHAT IS THE ROLE OF THE HUB?	.16
APP	ENDIX A: WHAT SERVICES WILL SUPPORT INNOVATION IN THE MID-COLUMBIA REGION?	.30

This page intentionally blank

# **Executive Summary**

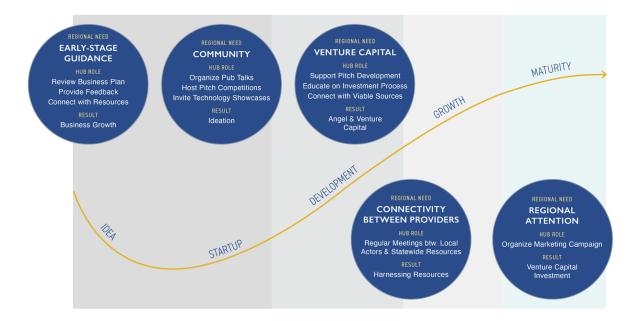
Nestled in a picturesque river valley, the Mid-Columbia region has transformed economically in recent decades. Where orchards and shipping piers once dominated the landscape, a diverse mix of industries now thrives – from brewers leveraging the region's hops to robotics companies harnessing the wide-open skies. The Gorge blends influences from traditional mainstays like agriculture, timber, and shipping alongside innovative sectors including fermentation, unmanned aerial systems, and



outdoor recreation equipment. It nurtures local entrepreneurs while attracting those seeking adventure and work-life balance.

Yet barriers persist that could limit further economic expansion, from sparse local investment capital to a shifting climate and lack of buildable land. To propel entrepreneurship, innovation and ongoing prosperity, the Mid-Columbia Economic Development District (MCEDD) seeks to develop a Regional Innovation Hub serving Hood River, Wasco, and Sherman counties in Oregon as well as Klickitat and Skamania counties in Washington. The Hub will directly tackle certain challenges, like cultivating a collaborative culture amongst entrepreneurs, showcasing the region's assets to potential investors, strengthening connections to statewide resources, and linking to venture capital providers. It will also reinforce partners best positioned to broaden resources and support for local businesses.





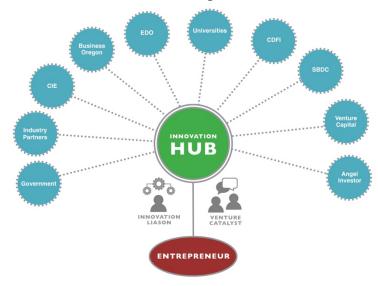
The Hub will start small, addressing core needs first before expanding programming in future years. Like an apple tree in one of the Gorge's many orchards, the Hub will put down roots before extending its branches.

MCEDD will spearhead the Hub's cultivation, raising funds and implementing actions outlined here. It will likely coordinate closely with the Gorge Technology Alliance to manage efforts. By collaborating with services providers in the region, the Hub will be able to address needs beyond its scope.

Rather than being confined to a fixed place, the Hub will provide inclusive services and outreach regionwide. By linking stakeholders, empowering entrepreneurs, and nourishing an innovation ecosystem, the Hub represents a commitment to sustainable growth that unlocks

potential. It will amplify the region's promise, driving prosperity and resiliency for the Gorge.

The Hub is a down payment on the Mid-Columbia's flourishing future – one where ingenuity catalyzes inclusive economic vitality. By bringing people together, it will cultivate an ecosystem where more small businesses can thrive and grow into major employers.



# 1. From Orchards to Octocopters: Innovation in the Gorge

The Mid-Columbia regional economy, spanning Oregon's Sherman, Wasco, and Hood River counties, along with Washington's Skamania and Klickitat counties, has diversified over recent decades. Key sectors such as unmanned aerial systems, healthcare, fermentation, value-added agriculture, manufacturing, and tourism have all grown despite limited commercial and industrial land. Nurturing this ongoing growth, in particular the spin-off companies that come next, will be a challenge given a lack of local investment capital, a shifting climate, and limited industrial and commercial land.



The region's advantageous geographic location and climate support both traditional and innovative agricultural activities. Crops thrive in the fertile soil and moderate weather. The open landscape enables testing of unmanned aerial systems. Beyond its strengths in key industries, the Mid-Columbia Region offers an exceptional quality of life. With abundant recreational opportunities provided by its natural settings, the region has become increasingly attractive for new residents and businesses.

The region's prime location has enabled the cultivation of talent and emergence of an unmanned aerial system (UAS) cluster, catalyzing spinoffs and startups. Advancements in this sector have created opportunities for other The Mid-C Economic District (A grant function)

In this report, we analyze the forces generating rapid economic development in the Mid-Columbia Region across diverse sectors. While highlighting growth opportunities, we also provide a sober assessment of future challenges that must be addressed to ensure sustainable expansion. Barriers like overlooked investor potential, scaling challenges, and an underdeveloped startup ecosystem hinder growth. By addressing hurdles and investing in new sectors, the region can further expand its economy. The Mid-Columbia Regional Innovation Hub will serve as a center supporting high-growth businesses and championing the region. It will nurture an innovation ecosystem that backs startups across diverse sectors. This study investigates the existing systems supporting entrepreneurs, identifies gaps, and proposes resources needed to overcome the current challenges.

The Mid-Columbia Economic Development District (MCEDD) received grant funding from Business Oregon to develop a plan for a regional innovation hub serving Hood River, Wasco, and Sherman Counties. Business Oregon's objective is to designate Regional Innovation Hubs throughout the state that will fund and incentivize collaboration to build and advance innovationfocused ecosystems, ensuring opportunities for all innovation-based businesses throughout Oregon.

**Innovation hubs facilitate the growth of local industries.** The concept builds off the premise that innovation ecosystems exist or can be created. Within the Mid-Columbia region, we can see elements of the innovation ecosystem that could be further fostered to strengthen the system

such as promoting the region to investors, improving access to venture capital, and creating opportunities for business expansion within the region.

McKinsey described the value proposition of innovation hubs by looking at the economic impacts of innovation, finding that innovation-based industries:

- (1) Have productivity growth nearly double the rate of other sectors;
- (2) Are responsible for 60 percent of US exports;
- (3) Account for 80 percent of engineers and patents; and
- (4) Pay above average wages.<sup>2</sup>

They conclude "innovation hubs open new avenues for healthier, more diverse, and more connected communities."

# What do Innovation Hubs do?

# The innovation hub will serve as the connective tissue to link, leverage, and align regional innovation assets.

While no standard definition exists for an innovation hub, the Stanford Social Innovation Review best reflects the four core features of innovation hubs:<sup>3</sup>

- 1. Build collaborative communities with entrepreneurial individuals at the center.
- 2. Attract diverse members with heterogeneous knowledge.
- 3. Facilitate creativity and collaboration in physical and digital space.
- 4. Localize global entrepreneurial culture.

What is an innovation ecosystem?

MIT defines innovation ecosystems as "places that engage five stakeholder types—research institutions, entrepreneurs, corporations, investors, and governments linked by a strong social fabric of mutual interest, complementary needs and resources, and trust."<sup>1</sup>



<sup>&</sup>lt;sup>1</sup> https://sloanreview.mit.edu/article/strategically-engaging-with-innovation-ecosystems/

 $<sup>^{2}\</sup> https://www.mckinsey.com/industries/public-and-social-sector/our-insights/building-innovation-ecosystems-accelerating-tech-hub-growth$ 

<sup>&</sup>lt;sup>3</sup> https://ssir.org/articles/entry/time\_to\_define\_what\_a\_hub\_really\_is

# Why is innovation important to the economy of the Gorge?

Innovation provides three key benefits:

1. Economic Resiliency – Innovation enables a region to diversify its economic activities by encouraging the development of new industries, products, and services. This diversification will reduce reliance on a single sector, such as tourism, and create multiple sources of economic growth, making the region less vulnerable to economic downturns.

Innovation Hub will support implementation of two independent but aligned strategies - the Oregon 10 Year Innovation Plan and the Mid-Columbia Economic Development District 2022 - 2027 Comprehensive Economic Development Strategy (CEDS).

The Mid-Columbia Regional

- 2. Increased Productivity Innovations often introduce new (CEDS). technologies, processes, and methodologies that enhance productivity and efficiency. By adopting and integrating new technologies and techniques, companies in the Gorge will better compete and thrive in their markets.
- 3. Job Creation and Talent Attraction Young firms are one of the main engines of job creation in a local economy. As new industries and businesses emerge, they require a skilled workforce to drive their growth. This not only helps in providing career opportunities to residents of the Gorge but also can attract talented individuals from outside the region.

This plan is part of ongoing efforts to promote innovation in Oregon's economy. The Oregon 10-Year Innovation Plan recognizes the importance of innovation in strengthening the state's economy and improving the lives of its residents. It aims to provide specific support to innovative businesses, connect entrepreneurial opportunities, and promote equal access for rural and underprivileged communities. This will create a more inclusive and prosperous environment for all. The Mid-Columbia Regional Innovation Hub will serve as an implementation tool to achieve the Mid-Columbia Economic Development District's 2022 – 2027 CEDS goal of cultivating strong businesses.



#### **Hub Vision:**

Catalyze the Mid-Columbia into a vibrant epicenter for innovation and investment by showcasing the region's strengths and ensuring inclusive entrepreneurial opportunities. The hub will cultivate a robust, equitable economy that aligns with community values and capitalizes on regional assets to drive sustainable growth.

# Why now?

Given the impacts from climate, economic shocks or dramatic technology shifts, there is urgency in developing a dynamic and diversified local economy. The Mid-Columbia Economic Development District's 2022 – 2027 CEDS envisions a "resilient, thriving, sustainable, rural economy that supports equitable access to diverse business opportunities that act in harmony with the area's unique qualities, values, culture and natural resources." The Mid-Columbia Regional Innovation Hub will serve as an important implementation tool for building a more resilient economy.



# 2. What Foundational Barriers Constrain Innovation?

# Foundational Barriers

Foundational barriers are challenges or restrictions that restrain the region's entrepreneurial potential but are not a strong fit for the Innovation hub itself. Through stakeholder conversations and a review of underlying data, ECONorthwest heard recurring themes about the lack of housing, buildings and land for businesses, adequate childcare, and economic opportunities for Latinx residents and residents of color. While it is outside the scope of an innovation hub to address these barriers, these issues deserve focus from elected officials and others working closely on regional economic development.

# The region lacks workforce housing and available land for residential development.

The increase of housing costs and the expansion of second homes and short-term vacation rentals continue to place pressure on Mid-Columbia's already aging and limited housing stock and lack of available land. Mid-Columbia's housing growth has not kept pace with its population growth, causing a tight housing market with high prices. In the same way, housing costs continue to outpace income growth: Between 20% and 30% of the population in the region is cost burdened (spending more than 30% of their income on housing) and many are severely cost burdened (spending more than 50% of their income on housing).

The issue of housing unaffordability coupled with limited available residential land poses significant challenges to the region's economic progress. These challenges undermine the ability to attract and retain a skilled local workforce for both public and private employers. Despite facing obstacles in expanding residential development due to factors like the National Scenic Area designation and urban growth boundaries, the region remains committed to fostering housing initiatives. These efforts encompass various strategies, including policies aimed at enhancing awareness of the housing market dynamics in the Gorge, along with collaborative endeavors involving local governments, organizations, and institutions to facilitate housing production (CEDS, p. 30-31). It's important to emphasize that while the focus may lie on the innovation hub, ensuring sufficient affordable housing remains a critical pillar for sustaining the region's economic vitality.

# The region does not have adequate buildings and land for commercial and industrial employment.

Much like the challenge posed by limited residential land, the Mid-Columbia region also grapples with a scarcity of land available for commercial and industrial development, presenting a significant hurdle to its economic advancement. This dearth of suitable land is further compounded by the constraints imposed by the National Scenic Area designation and the complexities associated with expanding urban growth boundaries. As regional enterprises experience workforce growth, their options for affordable commercial spaces to expand are limited. While local ports could play a pivotal role in addressing the demand for cost-effective commercial, industrial, and flexible spaces, it's evident that additional collaborative efforts will be necessary to foster and enhance access to these essential business venues. The current strategies outlined to bolster commercial and industrial expansion within the region encompass the creation of adaptable and affordable incubator spaces, fostering partnerships that enable businesses to jointly pursue real estate opportunities, facilitating connections between vacant properties and prospective enterprises, and ensuring a well-balanced land supply that efficiently accommodates residential and infrastructure growth (CEDS, p. 18).

### Families lack access to affordable childcare services.

Lack of affordable childcare services is another top barrier, especially as more households are becoming reliant upon two- income earners to meet their basic needs. As mentioned above, with a growing number of regional households who are cost burdened and severely cost burdened, developing more accessible and affordable childcare service options is crucial for continued regional community well-being and economic growth. Regional priorities to address these childcare needs for employees and workers include supporting the development of trainings and apprenticeship models for the childcare workforce, promoting support opportunities targeted to new childcare businesses, and partnering with Columbia Gorge Community College to develop a public childcare center (CEDS, p. 25-26).

# Many Latinx and BIPOC residents are limited by longstanding structural barriers.

Nationally, entrepreneurs are diversifying.<sup>4</sup> Over the last 25 years, the share of new entrepreneurs who are Hispanic or Latino more than doubled (from 10% to 24%), as with the share of new entrepreneurs who are Asian (from 3% to 7%). The share of Black or African American entrepreneurs grew from 8% to 10% (Kauffman Foundation). However, despite this growing diversity, various structural barriers continue to limit the full potential of these entrepreneurs. As learned through various engagement streams, lack of generational wealth and educational opportunities, language barriers, and difficulty accessing capital continue to prevent many entrepreneurs of color from launching, expanding, and scaling up their businesses.

While the Hub's primary focus centers on high- growth businesses, where BIPOC entrepreneurs are less represented, broader regional initiatives geared towards supporting BIPOC and women-owned businesses entail a range of strategies. These encompass facilitating enhanced business engagement with Chambers of Commerce and the Small Business Development Center, forging partnerships with commercial lenders to overcome obstacles to accessing essential capital resources, aligning the needs of marginalized businesses with pertinent skills training programs, and collaborating with local community groups to provide tailored job training and employment opportunities (CEDS, p. 18, 21, 23, 25).

<sup>&</sup>lt;sup>4</sup> Data on entrepreneurship trends by race and ethnicity is unavailable at the regional level.

# 3. What Innovation Elements are Missing?

# What are the key elements in an Innovation Hub?

To better understand what a successful innovation ecosystem looks like (particularly those in rural areas or areas lacking prominent research institutions), the team explored dozens of examples throughout the world, exploring some of the key elements highlighted in the MIT D-Lab innovation framework. These roles are generally equivalent to the actions proposed by Business Oregon in the Oregon Innovation Plan.<sup>5</sup> These fall into five categories: Capital Access, Peer-to-Peer Network, Mentorship, Ideation and Labor Development and Attraction.



<sup>&</sup>lt;sup>5</sup> Business Oregon. 2021. Oregon Innovation Plan. Developed by the Futures Commission. <u>https://www.oregon.gov/biz/programs/homeareas/innovate/Pages/oip.aspx</u>

# Gap Identification Process

To best identify the adequacy of supply of these various elements, the team explored each topic in three manners.



First was via a broad asset mapping process, attempting to detail all relevant service providers and detailing if they were local, regional or state entities.



The second process was part of an online survey to entrepreneurs, small business owners and service providers. This helped to add context to the initial asset mapping, allowing a large set of respondents to indicate which topics they considered to be of greatest need in the region.



The third step was direct engagement, via nearly twenty one-on-one conversations as well as four Leadership Team committee meetings with knowledgeable local actors. The resulting table synthesizes the results of those efforts and helps demonstrate the specific needs of the region.

Services considered *adequate* were deemed sufficient to meet the region's needs and were provided at the appropriate level (local, regional, or state) for optimal service delivery. Generally, individuals requiring these services were able to access them. However, it is important to note that adequacy does not guarantee equal access for everyone. There is still opportunity for improvement in terms of inclusivity across various categories. On the other hand, services categorized as *inadequate* were either insufficient to meet the identified demand in the region or were available but not accessible to local actors due to being provided at an ineffective level (local, regional, or state). See Appendix A for more notes on sufficiency of service.

### Exhibit 1. Sufficiency of Service

	ELEMENT		EVEL OF SERV		SUFFICIENCY	
0		DESCRIPTION	ASSET MAPPING	SURVEY	DIRECT ENGAGEMENT	
Cap	ital Access			-		
Ť	Pitch Competitions	Events where entrepreneurs present their business ideas or startup concepts to a panel of judges or investors to secure funding, gain exposure, and receive feedback on business plans.		Ē	Ē	×
\$	Business Grants	Non-repayable funds provided by governments, organizations or foundations to support entrepreneurs and businesses usually for a targeted purpose.	Ē	Ē	Ē	~
	Venture Capital	A high-risk private equity investment where investors fund startups or early-stage companies in exchange for ownership, providing expertise to help them succeed, with the possibility of a significant return on investment.	÷.	Ē	Ē.	×
\$	Micro-Loans	Typically range from a few hundred to several thousand dollars; often used by entrepreneurs and small businesses who need a small amount of capital to start or grow their business but cannot obtain funding from traditional sources.	Ē	Ē	Ē	~
, Co	Traditional Loans	Traditional lending tools such as lines of credit and business loans that businesses receive from banks and other financial institutions to support and grow their business with fixed or variable interest rates and set repayment terms.	Ē	Ē	Ê	~
Peer	-to-Peer Network					
	Convening/ Comm./Events	Helps businesses gain exposure, access resources, and build relationships that can lead to partnerships, customers, and investors.	Ē	Ē	Ē	×
	Industry Groups/Data	Provide industry-specific information, best practices and connection to other people and businesses within that industry. Could include targeted business guidance.	Ĵ.	Ē	Ē	~
101	Co-Working	An affordable and flexible space that typically offer a range of amenities and services, such as shared workstations, meeting rooms, high-speed internet, printing and scanning facilities, and access to social and networking events.	Ē	N/A	—	~
Men	torship					
<b>@</b> }	Mentorship	A relationship in which an experienced and successful businessperson provides guidance, advice, and support to an early-stage entrepreneur or startup founder. The mentor typically offers insights into specific aspects of running a business, such as marketing, finance, and operations.	Ē	Ē	Ē	×
Com	mercial Viability					
<b>~</b> 1	Business Growth Assistance	N/A	N/A	N/A	Í.	×
	Finance/Legal Tax Asst./Accounting	Business assistance and guidance around financial, legal, and tax needs and questions	Ē	Ē	İ	×
	Govt. Contracting Assistance	Helps small businesses navigate the complex process of bidding on and winning government contracts.	Ĩ	N/A	—	~
	General Entrepreneur Asst / Business Plan	General (non-specialized) business assistance including developing a business plan, securing traditional funding, connecting to local resources, etc.	Ē	Ē	Ē	~
<b>A</b>	Startup Events/ Cohorts	Provide startups with exposure, feedback, and opportunities to connect with potential customers, partners, and investors. These events/cohorts often include trainings, pitch competitions, demo days, hackathons, conferences, and mentoring programs that allow startups to showcase their products or services, receive feedback from experts, and gain valuable insights and knowledge from industry leaders and experienced entrepreneurs.	Ē	İ	Ē	~
<b>-</b>	Export Assistance	Programs and services provided by government agencies, trade associations, and other organizations to help businesses expand their sales and operations in out of state sales and foreign markets.	İ	Î	—	~
	OBID Certification	COBID certification assistance helps socially, and economically disadvantaged businesses gain access to the resources and opportunities they need to thrive and grow.	Ē	Ē	—	~
KEY	Low Need	High Need – Not a Key Need ✓ Adequate Sufficiency	🗙 Inadequ	iate Suffici	ency	

	ELEMENT	DESCRIPTION	L ASSET MAPPING	EVEL OF SERV SURVEY	DIRECT	SUFFICIENCY OF SERVICE
ldea	tion		MAPPING		ENGAGEMENT	UI SERVICE
Ŵ	Tech Adoption	Assistance learning about new technologies and adopting into businesses.	Ē	Ē	Ē	×
िंग	Makerspace / Prototyping / Viability	Collaborative workspaces that provide entrepreneurs with access to tools, equipment, and resources to develop, design, and create their products or prototypes, and can offer benefits such as lower costs, shorter product development cycles, and opportunities for collaboration and networking with other like-minded individuals.	Ē	İ.	Ē	×
Po	E-commerce / Marketing	Help businesses identify and reach their target audience, increase brand awareness, and generate leads and sales.	Ē	Ē	—	~
E.	Patenting Assistance	Guidance and support throughout the process of obtaining a patent for a product or invention, which can include help with conducting patent searches, drafting patent applications, and navigating the patent approval process.	Î.	Ē	—	~
٥	Accelerator / Incubator	Helps entrepreneurs turn their ideas into successful businesses by offering access to funding, workspace, professional services, and a community of like-minded individuals. Business accelerators/incubators can have a competitive application process, and those selected to participate receive training, guidance, and support over a fixed period.	Ē	Ē	(affordable flex space)	(afferdable office/ flex space)
Labo	or Development & /	Attraction				
**	Internships	Temporary work experiences that allow individuals to gain practical skills, industry knowledge, and professional contacts. Can lead to permanent jobs and supports the local pipeline.	Ē	Ē	—	×
<u>, ,</u>	Talent Attraction	Efforts aimed at attracting and retaining skilled workers, entrepreneurs, and businesses to a particular region.	Ē	Ē	Ē	×
iîi	Workforce Training	Training programs that provide specific, job-related skills and knowledge to individuals, usually in a short-term or vocational context; often designed to meet the needs of employers or specific industries.	Ē	Ē	Ē	~
	Higher Education	Provides advanced knowledge, skills, and training to individuals, which can lead to increased innovation and more successful business startups.	Ē	Ē	Ē	~
KEY	Low Need	🛔 Medium Need 📋 High Need - Not a Key Need 🖌 Adequate Sufficiency	× Inadeq	uate Sufficie	ency	

After this gaps analysis, twelve elements appeared to be lacking in the region:



# Partners in the Innovation Ecosystem

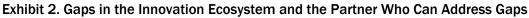
The vision for a dynamic innovation ecosystem is one that leverages the strong foundational services already present in the region. These include small business development centers, community colleges, community development financial institutions, and technical assistance programs. Many of the innovation needs identified are within the roles of current regional entities, they may just need to explore expanding services. Exhibit 2 identifies which existing providers are best suited to address this need.

For example, the Center for Innovation and Entrepreneurship could lean into their industryspecific knowledge to provide value with increasing technology adoption, facilitating mentorships, and managing internship programs that connect students to local startups. The Small Business Development Center might offer new legal and accounting consultations tailored to entrepreneurs, as well as enhanced advising on business expansion.

Columbia Gorge Community College could continue expanding access to its skills center and expand workforce training courses into coding, fabrication, and other relevant skills. And local and state governments could support public goods like parks and events that make the region more attractive to talent, while also offering financing tools to help developers construct flexible workspaces suited for startups and small businesses.

With coordinated efforts between organizations and government entities, the Mid-Columbia Innovation Hub can catalyze an innovation ecosystem that drives economic growth and opportunity throughout the region.





Strong ecosystems have service providers that have defined roles and invest in developing specific areas of assistance. Below is a list of providers noted in Exhibit 4 and how their roles could expand to address the need.

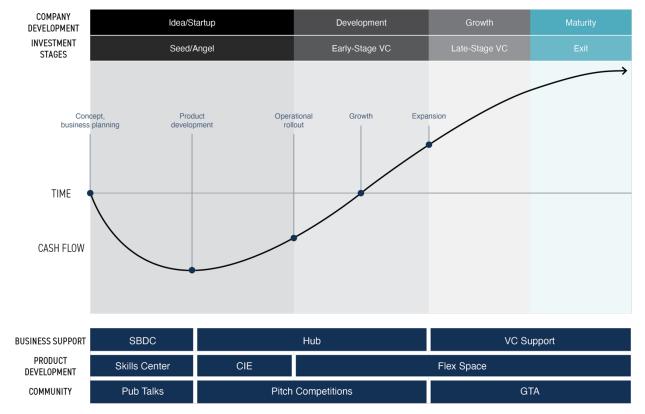
### Exhibit 3. Partners and their Role in the Innovation Ecosystem

PARTNER	CURRENT ROLE	EXPANDED ROLE
		Mentorship Provide industry-specific connections between entrepreneurs and those older professionals with experience.
CENTERS FOR	Support Product Development	Tech Adoption
EXCELLENCE	Development	Assist small firms in gaining awareness on new technology that could advance their businesses.
		★★ Internships
		Network between educational institutions with curious minds and entrepreneurs in need of additional labor.
SMALL BUSINESS		Business Growth
DEVELOPMENT CENTER /	Technical Assistance	Assist young businesses in understanding the common challenges with business growth, such as working capital and supply chain management.
TECHNICAL ASSISTANCE		Egal/Accounting
PROGRAM		Establish relationships with organizations / businesses that can provide tax assistance and legal services. Refer businesses to these services.
		Makerspace
COMMUNITY	Skill Development	Manage programming that will allow entrepreneurs to leverage college equipment, space, and expertise.
COLLEGES	onn Development	🗌 Workforce Training
		Continue to interface with industry partners to understand what contemporary skills are needed in the workplace.
		Talent Attraction
GOVERNMENT		Invest in public amenities such as parks and infrastructure.
ROLE	Public Services	두 Flex Space
		Additional State loan products to support ports in development of flex industrial space.

# Spotlight Asset: Pendleton UAS Test Range (Potential future Center for Innovation Excellence)

The Pendleton UAS Range in Oregon provides specialized infrastructure to support unmanned aerial systems (UAS) testing and development. The 160-acre facility includes hangars, manufacturing spaces, test pads, and a secure industrial park. Approved flight operations span 14,000 square miles and up to 15,000 feet in altitude, providing access to over 50 test environments. Onsite assets include mobile command centers, ground control systems, 10 Gbps fiber internet, and a UAS-optimized air traffic control tower. Over 23,000 test flights have been conducted to date. This is a rare facility that brings users in from across the United States and the world. Leveraging this asset could amplify the region to be an integrated hub of activity.

For the Unmanned Aerial Systems industry, a focus on regional integration between the SBDCs, the Skills Center, the CIE, the Innovation Hub and the community developed around it is worth exploring. An entrepreneur should have space to build their product, get help with a business plan, find a place to test their product, and get help with early funding.



#### Exhibit 4. Company Development, Investment Stages, and Support Systems

# 4. What is the Role of the Hub?

At the heart of the Innovation Hub is a vision, backed by three key pillars: **Promote and Prepare, Leverage and Link, Convene and Connect.** Together, these pillars will foster a thriving innovation ecosystem in the Mid-Columbia region, creating a magnet for investors and empowering entrepreneurs to flourish.

- **Promote** the region to investors and **prepare** entrepreneurs with the tools they need to pursue investment opportunities when those investors are present.
  - Develop a marketing campaign to promote the region to investors. Many investors interested in investing in Oregon look to Portland or Bend. Washington investors may never stray far from the I-5 corridor. A targeted marketing campaign is needed to grow awareness of the region, even if specific startups may or may not be investment-ready now. The region has a strong cluster of fermentation, unmanned aerial systems and fruit agriculture that can build a brand for innovation.
  - Work one-on-one with entrepreneurs to provide guidance on how to establish and grow a business. For founders of innovative, high-growth businesses, there are fewer services focused on where and how to secure early-stage investment. The Hub needs to "meet people where they are" literally and figuratively to provide a trusted voice they can rely on.
- **Leverage** existing resources by creating stronger **linkages** between founders, service providers, and statewide resources.
  - Link founders with existing resources. Many entrepreneurs are aware that there are certain things they should know but don't. While the hub does not need to have all the answers, it should know where to direct founders to for assistance. This could include referring them to start-up groups such as OEN or TiE, industry-specific resources like OMEP or the CIEs, mentorship programs like SCORE, or funding partners like the Oregon Venture Fund.
  - Link service providers to each other. The region already possesses many essential elements to support entrepreneurship and innovation. However, it can be challenging to keep track of the various services offered by different entities. The hub will need to raise awareness of regular services and special initiatives available in the region, creating a more interconnected network of support for entrepreneurs and innovators.
  - Link the region with statewide resources. Many resources exist at the statewide level, but the Mid-Columbia region is not well connected with these resources. The hub will need to connect with entities at the statewide level, advocating for resources for the region, removing barriers to and connecting businesses with those resources.
- Convene businesses giving them opportunities to connect with peers and network across industries.

- Organize events to bring people together. Starting and launching a business can be
  a lonely endeavor. Creating a community where founders can share ideas,
  frustrations, best practices, contacts, etc. plays an important role in developing a
  vibrant innovation ecosystem. This can be as simple as an informal coffee group or
  pub talks to more complicated endeavors like startup weekends and pitch
  competitions. To create a culture, someone needs to bring people together.
- **Connect founders with existing networking events.** Many organizations in the region are already hosting events. The hub can serve as a partner for these events by either supporting them directly or promoting them with founders.

The following implementation framework outlines the structure, governance, key partnerships, programming, and funding considerations necessary for the successful development and operation of the Innovation Hub. This comprehensive framework ensures a systematic approach, allowing for prioritization and phased implementation to effectively drive progress towards the vision.

# What are the areas of focus?

# Gaps in the Innovation Ecosystem

While the Mid-Columbia Region has many of the elements of an innovation ecosystem, gaps remain. Exhibit 4 details what was found to be lacking in the region, which includes access to venture capital, pitch competitions, business growth assistance, and convening/events. The Hub will work to meet these needs in addition to serving as a general resource connector.

ELEMENT	BUSINESS OWNERS AND ENTREPRENEURS NEED
HUB WILL ADDRESS	
Venture Capital	<ul> <li>Education on how venture capital works and how to secure it</li> <li>Access to investors who want to invest in Mid-Columbia Oregon businesses, especially to fund early-stage ideas</li> </ul>
Pitch Competitions	Opportunities to connect with investors, receive feedback on ideas, and secure venture capital
Business Growth Assistance	Guidance on how to grow their business
Convening / Communication / Events	<ul> <li>More networking opportunities to connect with peers</li> <li>More opportunities to network with people across industries</li> </ul>

# Who will the Hub Serve?

# The Hub will focus on high growth companies

The Hub should prioritize inclusivity and accessibility for all. It can and should support any entrepreneurs and businesses who access it either directly or by guiding them to the appropriate resources. The Hub aims to promote the Mid-Columbia region's assets and make it a desirable area for investment. It aims to support early-stage entrepreneurs who envision significant growth in their company's revenues or employment within the first decade. This endeavor is driven by the overarching objective of fostering the growth of scalable, traded sector companies operating in emerging industries that create a more resilient and thriving economy. By doing so, the Hub endeavors to equip the region with the necessary capabilities to adapt to evolving markets. Ultimately the Hub is structured to provide one-on-one support for high growth companies who need support accessing venture capital and related business growth opportunities.

# Who will run the Hub?

#### **MCEDD** and partners

MCEDD will champion the Hub's development, pursuing funding and executing on the actions outlined in this plan. Ultimately MCEDD will house staff hired to fulfill Hub functions. However, to achieve its vision and ultimately strengthen the innovation ecosystem in the region, the Hub will need to coordinate with other organizations in the region and state to connect and share resources and knowledge. These organizations will also address gaps in the innovation ecosystem that are not directly in the Hub's role.

# Where will the Hub be Located?

#### The Dalles, but programs will be region-wide

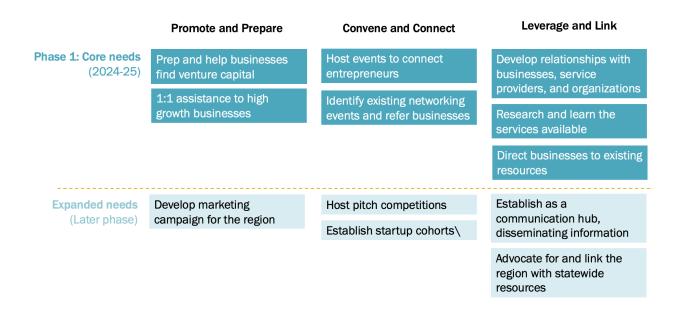
Currently this hub is not imagined to be a physical space like an accelerator or makerspace. Instead, the focus on the Hub is on promoting the region and providing high-value guidance and community to entrepreneurs. This will take place via video calls, in-person conversations and at regional events.

# When will the Hub provide services?

# Core and Expanded timeline

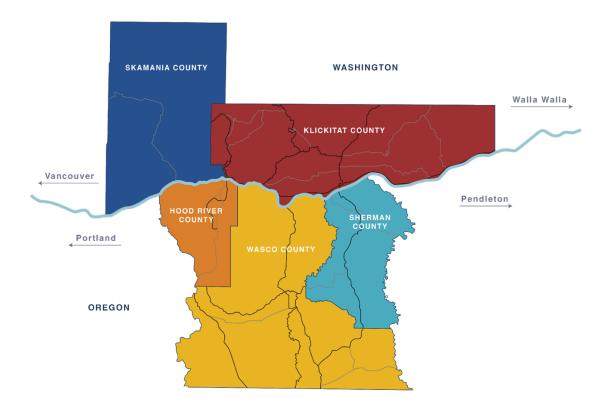
Due to limited funds and resources, it is necessary to prioritize and phase Hub functions. The following framework for phasing (Core / Expanded) identifies the central functions of the Hub from the functions that could be added as time and funding allow. Since the Hub is focused on early-stage entrepreneurs, the core functions provide specific resources and advice to entrepreneurs that equip them to successfully launch and grow their company. Actions in the

Expanded Hub accomplish broader objectives of expanding innovation clustering. Working with the leadership committee, ECONorthwest established the prioritization and phasing of Hub functions by assessing the urgency of the need and the importance of addressing it.



# Where will the Hub service?

### The Hub will address needs across the Mid-Columbia Region



#### Exhibit 6. Innovation Hub Service Area

# How will the Hub be structured?

#### Structure

Two options exist for how an innovation hub might be structured:

1. The first is to establish the hub as a program under MCEDD similar to the Gorge Tech Alliance coordinator position. This structure has certain benefits. First, it clearly defines where the hub exists within MCEDD. Second, MCEDD can establish accounting mechanisms that allow easy and accurate tracking of all funds related to the hub. Finally, the hub can establish an internal organization staffing structure that is clearly defined.

2. The second option is to integrate the hub as a core *function* of MCEDD. This is fundamentally different

Structure includes the organization where the hub exists (the host or sponsor), who manages the fiscal administration (which is not always the same as the sponsor), and how the hub is organized.

*Governance* includes the legal structure of the hub as well as who has authority to spend money, make decisions, and set policy.

than establishing a program in that staff can be shared across functions. For example, the

hub will have events and programming. Event and programming support would come from MCEDD's staff that helps with communications and events. It would also allow other MCEDD staff to support the hub as necessary. This structure is more complicated from an accounting perspective – each staff member involved with the hub would need to track effort and expenses related to the hub. A second challenge that is not necessarily unique to this option is management of shared staff. Splitting staff across programs is more complicated to manage and requires more attention from managers to ensure that priorities are being met and time is allocated consistent with goals and funding.

#### Governance

The regional innovation hub will require MCEDD to engage with external partners as not all the desired functions of a hub will be housed within MCEDD. This creates questions about how vision, goals, and policy of the hub are established and whether external partners should have a say in those decisions. In short, MCEDD can think of a regional innovation hub as a complex collaborative where partners voluntarily collaborate due to a shared value proposition but cannot formally tell each other what to do.

Our recommendation is that MCEDD establish an Advisory Committee of 8-10 persons recruited from throughout the region to provide guidance and support as the hub launches. Representation on the committee should span geography, race, and roles, including university/college, SBDC, local government, community-based organizations, and the private sector. We suggest MCEDD begin identifying and vetting potential Advisory Committee members now, with the goal of securing commitments from 8-10 qualified individuals/organizations before the next funding round expected in late 2023. Appointed members should serve 1-year terms initially, with engaged participants retained and less active members replaced as needed. The committee's role and functions are likely to evolve over the first 6-24 months as the hub matures. Thoughtful Advisory Committee recruitment and onboarding will help engage stakeholders across the community and region, ensuring the hub is responsive to identified needs.

# What will these Positions do?

The Hub will fulfill its mission through two roles: the Venture Catalyst and Innovation Liaison. These positions will focus on developing a vibrant and integrated innovation culture in the region. The Venture Catalyst will focus on promoting the region to investors and prepping and connecting high-growth businesses with investors, while the Innovation Liaison will focus on event coordination and facilitating communication between existing actors.

#### Exhibit 7. Job Descriptions

EXHIBIT 7. JOB DE		
JOB TITLE	Venture Catalyst	Innovation Liason
LOCATION	The Dalles (MCEDD), but covers Skamania, Klickitat, Hood River, Wasco and Sherman counties.	The Dalles (MCEDD), but covers Skamania, Klickitat, Hood River, Wasco and Sherman counties.
TERM	Two-Year contract. 40 hours per week	Two-Year contract. 20 hours per week
ABOUT THE ROLE	The purpose of this position is to empower entrepreneurs and attract investment to the Mid- Columbia region. This role will serve as a trusted advisor, connecting entrepreneurs to mentorship, expertise, and funding while also equipping them with the tools and knowledge to pursue investment through coaching and education. Additionally, this position will spotlight the region's innovation clusters, talent, and support systems to investors through marketing and outreach. By linking entrepreneurs to localized support and showcasing the region's entrepreneurial vitality, this role aims to nurture high-growth startups from idea to investment and beyond.	The purpose of this position is to strengthen and grow the Mid-Columbia entrepreneurship ecosystem by connecting entrepreneurs to critical resources, convening community-building events, tracking ecosystem health, and serving as an ambassador for the region. This role will leverage relationships and programming to equip entrepreneurs with the tools they need to start and scale companies while fostering connections between founders, investors, partners, and resources across the local area and state.
	<ul> <li>Resource Discovery: Research and learn the services available locally, regionally, and statewide to startups and small business owners.</li> </ul>	Resource Discovery: Research and learn the services available locally, regionally, and statewide to startups and small business owners.
RESPONSIBILITIES	<ul> <li>Link Founders to Support: Connect entrepreneurs with existing mentorship programs, industry experts, funding partners, and other resources to equip them for success. Serve as a trusted advisor on available support services including statewide resources.</li> <li>Prepare High-Growth Startups for Investment: Provide coaching and mentoring to high-growth startups on business fundamentals including developing and refining their business plans, investment readiness, pitching, and identifying funding sources. Equip entrepreneurs with the tools and knowledge needed to pursue venture capital.</li> <li>Promote the Region: Develop and execute a marketing campaign to promote the Mid- Columbia region as an attractive destination for investors, highlighting key innovation clusters such as fermentation, unmanned aerial systems, and agriculture tech; help them understand the ecosystem in the region from talent development, product testing, established businesses, and spinoffs.</li> </ul>	<ul> <li>Link the Resource Network: Act as a hub to disseminate important information, resources, and opportunities to ensure entrepreneurs across various fields are well-informed and supported. Promote awareness of regular services and special initiatives among regional partners to foster a more interconnected entrepreneur support network. Connect the region to statewide entities, advocating for the region, and removing barriers.</li> <li>Convene and Connect: Organize or promote events, pitch competitions, cohorts, convenings, industry group activities, and other programming to connect entrepreneurs, investors, industry leaders, and other ecosystem stakeholders. Facilitate valuable peer sharing and partnership opportunities through these networking events and communication changes.</li> <li>Be an Ecosystem Ambassador: Represent the Innovation Hub at conferences, events, and other convenings to promote the region and recruit partners.</li> <li>Track Ecosystem Vitality: Track data and metrics related to entrepreneurial activity, investment, and ecosystem vitality. Prepare reports and recommendations.</li> </ul>
SKIILLS/EXPERIENCE	Priority for an entrepreneur who has successfully launched a business	Experience designing and facilitating workshops, events, or other programming for entrepreneurs
REQUIREMENTS	Willing to drive to meet entrepreneurs in home, offices or storefronts. Must work occasional evenings and weekends when needed for events.	Willing to drive to meet entrepreneurs in home, offices or storefronts. Must work occasional evenings and weekends when needed for events.

# Case Study: Venture Catalyst Network, Oregon

The Oregon Venture Catalyst Network is a group of experienced entrepreneurs known as Venture Catalysts (VCs) who collaborate with local economic development authorities to boost entrepreneurship in Central Oregon, Willamette Valley, West Metro (WA County), and Mid-Valley regions. These VCs provide hands-on assistance, foster valuable connections, and strengthen the overall entrepreneurial ecosystem. They offer personalized support through one-on-one meetings, mentorship, and pitch coaching, enabling entrepreneurs to develop robust business plans, secure funding more effectively, and reach broader markets.

The impact of the Venture Catalyst Network has been remarkable, as evidenced by a study highlighting the immense value it brings to entrepreneurs. The services offered by VCs received high praise, and participants benefited greatly from the programs, connections, and pitch coaching. Beyond individual entrepreneurs, the VCs play a pivotal role in building and nurturing entrepreneurial ecosystems, facilitating collaboration among service providers, local governments, investors, and educational institutions. This interconnected network has fueled business growth, job creation, and industry diversification, with companies served by VCs experiencing impressive year-over-year revenue growth of 130% and employment growth of 59% between 2018 and 2019.

While the study received overwhelmingly positive feedback, entrepreneurs highlighted three areas of growth for VCs: 1) the need to sustain existing services, 2) expanding services to cover more regions, and 3) ensuring consistent and high-quality services across all regions and over time. Additionally, three specific recommendations were made to address barriers and challenges: 1) enhancing network and capital access for minority- or women-owned businesses, 2) extending entrepreneurial resources to rural communities, and 3) tackling the public health and economic obstacles arising from the pandemic recovery.

Sara Lawrence, Michael Hogan, and Elizabeth Brown, "<u>Venture Catalyst Network Impact Study and</u> <u>Evaluation</u>," 2020, p. ES-1-7.

# How will the Hub be inclusive?

While the Hub is primarily targeted toward high-growth, traded sector companies (which by this very definition is exclusive), we have identified steps that the Hub and partners can take to serve diverse entrepreneurs and businesses. Specific efforts are highlighted below. To ensure inclusivity and diversity in the Hub's services, the project team engaged with various groups throughout the region and state including The Next Door and the Confederated Tribes of the Umatilla Indian Reservation.



### Intentionality in services and recruitment

**Intentional Outreach** – Work with clients from diverse backgrounds including different genders, races, and age groups. This could involve exploring alternative approaches to reaching potential clients.

**Broad Marketing –** Explore different marketing channels and potentially use different languages to reach a wider audience. Partner with trusted gatekeepers to attract clients who may not have interacted with these types of activities before.

**Events Promoting Scaling Up** – Collaborate with organizations such as The Next Door to explore the advantages of business growth. Discussions can encompass strategies for acquiring new customers, expanding to additional locations, integrating innovative technology, or introducing new products and services. Concurrently, it's essential to emphasize potential challenges in areas like operations, legal matters, and labor. Additionally, spotlight available resources that assist in addressing these obstacles. Consider hosting these sessions in a variety of venues to appeal to a broad spectrum of participants.

**Youth Board** – Create a youth review board with individuals aged 16-24 as a part of pitch competitions or other vetting events. This would serve two purposes: (1) help the entrepreneur understand younger consumers and (2) expose young adults to innovators and venture funding.

**Tech Adoption Events** – Host events that showcase the practical usage of new equipment or point-of-sale technology and invite entrepreneurs of color. Entrepreneurs of color often face financial constraints due to systemic injustices and are therefore more cautious about investing their time and money in new technology. Tech adoption events could help persuade these small businesses to adopt innovations that have the potential to boost their revenues.

**Culturally Appropriate Spaces** – Develop a broad understanding of available resources, providing guidance tailored to different entrepreneurs. This involves providing resources that are well-suited to each entrepreneur, catering to the specific needs of black or Latino entrepreneurs, women, veterans, or other subgroups that may prefer services or settings that feel more welcoming and inclusive.

**Broad Sources of Capital –** Develop a comprehensive understanding of available capital resources. When engaging with a diverse group of entrepreneurs, many may be at the early stages of their business and might only need a micro-loan or IDA (Individual Development Account). Understanding available capital resources will enable better connections between entrepreneurs and the resources they need to establish and grow their enterprises.

#### Integration with the TAP (Technical Assistance Program) Services Providers

The Technical Assistance Program (TAP) provides funding for organizations that assist historically underrepresented and under-resourced small businesses. By supporting equitable access to technical help, TAP aims to ensure inclusive economic growth and break longstanding disparities. Business Oregon supports many of these providers in the region, including: The Next Door, the Native American Youth and Family Center (NAYA), the Hispanic Metropolitan Chamber, The Black American Chamber of Commerce, and others.

These programs deal with entrepreneurs of all sectors and aspirations, from those seeking selfsufficiency to those building a million-dollar enterprise. To accelerate companies ready to scale, the Hub will collaborate closely with TAP providers to act as an additional resource. Through individualized guidance, the Hub can connect driven founders to local and statewide resources that serve their growth goals. By matching growth-oriented ventures with specialized support, the Hub and TAP providers can together cultivate an entrepreneurial ecosystem where all businesses have room to flourish.

Case Study: Bounce Innovation Hub, Ohio

Situated in downtown Akron, Ohio, Bounce Innovation Hub, founded in January 2018, serves as a vibrant hub for entrepreneurs, startups, and small businesses. Originally a homogenous cluster predominantly catering to white residents, the Hub underwent a remarkable transformation into a diverse and inclusive community of software startups and small manufacturing businesses, thanks to an economic initiative by Akron's mayor. Spanning a 300,000 square feet site, Bounce offers coworking spaces, event venues, meeting areas, and professional offices to over 50 organizations.

Akron City Council played a crucial role in promoting racial diversity among the business owners at Bounce. Though setting specific quotas turned out to be unlawful, the council struck a deal demanding Bounce's commitment to enhancing diversity in exchange for the property. As a result, Bounce pledged annual updates on their racial and gender diversity efforts and other outreach initiatives. These accountability measures yielded positive results, with Bounce now boasting a diverse staff composition, including five people of color and eight women, and serving over 48% Black-owned clients.

Demonstrating their dedication to diversity, Bounce expanded its services and clientele. Notably, the Generating Real Opportunity and Wealth (GROW) programs, designed for minority- and women-owned businesses, have made a significant impact. Among the initiatives, the need-based microgrants program repurposed a grant originally meant for the makerspace, providing recipients with \$500 to \$3,000 for various essentials like transportation, food, or equipment. Additionally, Bounce utilized another grant to support executives-in-residence (EIRs) within their business incubator program for minority- and women-owned small businesses. These GROW programs have served around 110 businesses, with approximately 90% being Black-owned.

With a strong commitment to diversity, equity, and inclusion (DEI), and a continual focus on tailoring their programs to meet the unique needs of their diverse clientele, Bounce Innovation Hub has become an invaluable resource for BIPOC small businesses and startups

# What will it Cost?

# Funding Needs:

Funding will be needed for staff salaries (and related costs) along with some funding needed for events, Costs for the two proposed hub staff positions – Venture Catalyst and Innovation Liaison and the additional annual costs are below.

ROLE	ACTIVITY	TIME COMMITMENT (PER WEEK)	FUNDING NEED (PER YEAR)
Venture Catalyst			
	Resource Understanding	4 Hours (10%)	\$9,600
	Facilitate Connections	18 Hours (45%)	\$43,200
	Provide Business Support	18 Hours (45%)	\$43,200
Subtotal			\$96,000
Benefits and Overhead			\$30,720
Travel			\$4,800
Total Per Year			\$131,520
Innovation Liaison			
	Foster Entrepreneur Networking	7.5 Hours (38%)	\$18,000
	Connect Resource Providers	7.5 Hours (38%)	\$18,000
	Convene and Communicate	5 Hours (25%)	\$12,000
Subtotal			\$48,000
Benefits and Overhead			\$15,360
Travel			\$4,800
Events			\$30,000
Total Per Year			\$98,160

#### Exhibit 8. Phase 1 Funding Projection

2024	2025	2026	2027	2028
\$229,680	\$236,570	\$243,667	\$ 250,977	\$258,506

# Potential Funding Sources

The Innovation Hub should pursue diverse funding streams to maintain resiliency. This will likely begin with Business Oregon, but other sources will need to be identified and developed. Below is a list of potential funding sources:

- Grants from Business Oregon, Regional Solutions, US Economic Development Administration
- Local government contributions cities, counties, port districts
- Corporate sponsorships from major employers/industries in the region
- Philanthropic foundations interested in entrepreneurship and economic development
- Revenue generating activities membership fees, fee for service consulting
- Revolving angel funds, paid back when early stage companies are acquired or go through an IPO
- Federal small business/innovation grants like SBA, EDA, USDA, ARC

A multi-year fundraising strategy with diverse funding sources is crucial to ensure the hub's financial sustainability over time. This should emphasize building partnerships and aligning with entities that share the hub's mission of fostering entrepreneurship and innovation. It often takes 1-2 years for new business assistance programs to build trust and traction within the small business community. Adequate and consistent funding during the initial start-up phase will allow the hub time to establish itself as a trusted resource and valued partner in the region's innovation ecosystem.

# How will Success be tracked?

Tracking the success of an innovation hub requires a set of meaningful metrics that align with its objectives and goals. Many of these metrics are programmatic and short-term. These track the Hub's activities, services, and the direct impact these services have on the businesses it supports. Others are long-term focused metrics which measure changes to the innovation ecosystem over time and the impact that has on the broader community.

# Hub Metrics

- **Number of Startups Supported:** Keep track of the number of startups that the hub has helped, including mentoring, funding, or other resources. This could include applications, registration data, or client profiles.
- Job Creation: Measure the number of jobs created by the startups and businesses supported by the hub. Gather employment data from the startups and businesses that have been assisted by the hub. This can be done through regular surveys or follow-ups with the entrepreneurs.
- **Revenue Growth:** Track the revenue growth of the startups and businesses that have been part of the hub's programs. Track financial data of supported startups, such as sales reports, income statements, or financial statements.
- **Funding Raised:** Monitor the amount of funding raised by startups, either through investments, grants, or other funding sources. Maintain a record of funding secured by startups through investment records, grant applications, or fundraising updates.
- **Success Rate of Startups:** Calculate the percentage of startups that have achieved sustainability or profitability after receiving support from the hub. Follow up with

supported startups over time to determine their long-term success and sustainability. The Hub could also measure the business establishment births and attrition rate over time using Business Dynamics Statistics to better understand the entrepreneurial ecosystem.

- **Convening and events:** Track the number of attendees at events and gatherings hosted by the Hub. Gather industry and demographic information when possible.
- **Diversity and Inclusion**: Measure the representation of diverse entrepreneurs and businesses in the hub's programs and assess their success rate. Collect demographic data from clients and participants to measure the diversity representation.
- Customer and Stakeholder Satisfaction: Conduct surveys or feedback sessions to gauge the satisfaction of customers, partners, and stakeholders with the hub's services. Conduct regular surveys or feedback sessions with clients, partners, and stakeholders.
- **Retention Rate:** Determine the percentage of startups and businesses that remain in operation or active in the region after receiving support from the hub. Monitor the number of startups that continue to operate or remain active in the region after receiving support.

#### Long-term Impact

- Innovation Impact: Assess the impact of startups and businesses supported by the hub
  on their respective industries or sectors. Gather data from startups on their innovations,
  patents, or intellectual property creations. The Hub could leverage StatsAmerica to
  assess patents and innovation over time. The Hub could also look at changes in
  employment and incomes in specific industries over time. When possible, the Hub
  should consider how these metrics vary by race, ethnicity, gender, etc.
- Economic Impact: Measure the overall economic impact of the Hub's activities on the local or regional economy. The Hub could utilize economic data from the region or industry to assess the overall impact of increased innovation on the economy. This could include measuring changes in GDP, regional employment, per capita income, average wages, and housing cost burden. When possible, the Hub should consider how these metrics vary by race, ethnicity, gender, etc. Ideally increased innovation startups should improve economic outcomes for all people in the region.

It's essential to choose metrics that are specific, measurable, achievable, relevant, and timebound (SMART) to ensure effective evaluation of the innovation hub's success and impact. Additionally, regularly reviewing and adapting the chosen metrics to align with the evolving goals of the hub will ensure ongoing success tracking.

# The Way Forward

The Mid-Columbia region has blossomed economically in recent years, with burgeoning strengths across diverse sectors. Yet barriers persist that could stifle further growth, including scarce local capital, climate challenges, and limited developable land. To catalyze ongoing prosperity, the Mid-Columbia Economic Development District envisions a Regional Innovation Hub encompassing several Oregon counties. This Hub will interlink regional assets to ignite the area into a flourishing epicenter of innovation and investment.

The Hub will trumpet the region's promise, furnish tailored guidance to entrepreneurs, integrate resources, and convene changemakers. It will address ecosystem gaps while empowering high-growth companies. Providing inclusive outreach and support region-wide, the Hub will equip entrepreneurs to soar. MCEDD will spearhead the Hub's formation, pursuing funding streams and implementing the blueprint herein. The Hub will collaborate with partners to fully harness opportunities. Tracking key metrics will illuminate its impact over time.

By connecting, advocating, and cultivating an inclusive ecosystem, the Hub will drive economic growth and resilience. It will amplify regional strengths and empower residents to reach their full potential. The Hub embodies a commitment to sustainable prosperity where all can thrive. It will catalyze the Mid-Columbia into a flourishing crucible of innovation that unlocks promise for all.

This is a vision of the future where the region's ingenuity and drive are unleashed toward inclusive growth and shared prosperity. The Hub represents a milestone on the journey toward a robust economy and equitable society where all can prosper.

# Appendix A: What services will support innovation in the Mid-Columbia Region?

### Exhibit 9. Gaps in the Mid-Columbia Innovation Ecosystem

	ELEMENT	DESCRIPTION	LE ASSET MAPPING	EVEL OF SERV SURVEY	ICE DIRECT ENGAGEMENT	SUFFICIENCY OF SERVICE	WHY?
Fun	ding						
\$	Business Grants	Non-repayable funds provided by governments, organizations or foundations to support entrepreneurs and businesses usually for a targeted purpose.	Ē	Ē	Ē	~	Grants are available across local, regional, and state providers. Some existing programs need to be re-capitalized. While grants may be desired, discussions with stakeholders indicated that they are unsustainable and that if businesses can leverage appropriate capital, they become less necessary. Angel investing may be a better fit for high growth start-up entrepreneurs.
	Venture Capital	A high-risk private equity investment where investors fund startups or early-stage companies in exchange for ownership, providing expertise to help them succeed, with the possibility of a significant return on investment.	Î	Ē	Î.	×	No local or regional providers identified. Interviews and Leadership Team feedback showed that lack of a regional network of private investors, particularly early-stage investors, make it difficult to raise investment capital. Density of firms is higher in the Metro which is more attractive to investors. The SBDC is not equipped to support businesses that need investment capital.
\$	Micro-Loans	Typically range from a few hundred to several thousand dollars; often used by entrepreneurs and small businesses who need a small amount of capital to start or grow their business but cannot obtain funding from traditional sources.	Ē	Ē	Ē	~	Micro-loans are available across regional and state providers. Discussions suggested that the region does not need additional micro-loan programs but rather additional funding for those that do exist. The MCEDD loan program which doesn't need full collateral was called out at as available and underutilized. Generally thought of as a strength in the region but needs better connectivity.
<b>*</b>	Pitch Competitions	Events where entrepreneurs present their business ideas or startup concepts to a panel of judges or investors to secure funding, gain exposure, and receive feedback on business plans.	Î.	Ē	Ē	×	No permanent local or regional providers identified, although a small series are occurring as part of a pilot project organized by MCEDD and the SBDC. Pitch competitions can help connect entrepreneurs with investment capital services. There were mixed results on the survey but at least half of respondents indicated they thought that pitch competitions were undersupplied.
Ş	Traditional Loans	Traditional lending tools such as lines of credit and business loans that businesses receive from banks and other financial institutions to support and grow their business with fixed or variable interest rates and set repayment terms.	Î	Ē	Ē	~	Standard bank funding resources exist. However, certain borrowers (such as those who only have an ITIN number) find it difficult to access these resources. Survey and interview results indicate that this is adequately supplied in the region.
Tec	nnical Assistance	•					
<b>111</b>	Business Growth Assistance	N/A	N/A	N/A	Î	×	Businesses need more specific growth planning and networking/connection help (i.e., How to acquire accounts in other regions, states, or countries, hiring, obtaining non-traditional forms of capital, etc.). This came up as a need in Leadership Team meetings.
	Financial / Legal / Accounting / Tax Asst.	Business assistance and guidance around financial, legal, and tax needs and questions	Ē	Ē	Ē	×	No services were identified in the Gorge although this might be a service that could be accessed remotely. Discussions with the Leadership team noted that this type of assistance needs to be one-on-one and that the SBDC cannot provide legal or tax advice. Spanish speaking services are very challenging to find.
	Government Contracting Assistance	Helps small businesses navigate the complex process of bidding on and winning government contracts.	i	N/A	—	~	Did not come up as a key need in discussions.
KEY	Low Need	🚊 Medium Need 📋 High Need 🗕 Not a Key Need 🖌	Adequate	Sufficiency	🗙 Inadeq	uate Sufficien	су

	ELEMENT	DESCRIPTION	LE ASSET MAPPING	EVEL OF SERV SURVEY	ICE DIRECT ENGAGEMENT	SUFFICIENCY OF SERVICE	WHY?
	General Entrepreneurship Asst / Business Plan	General (non-specialized) business assistance including developing a business plan, securing traditional funding, connecting to local resources, etc.	Ē	Ē	Ē	~	The region has general entrepreneurship assistance that is well utilized and is considered a strength in the region.
₽	Export Assistance	Programs and services provided by government agencies, trade associations, and other organizations to help businesses expand their sales and operations in out of state sales and foreign markets.	Ē.	Ē	—	~	Did not come up as a key need in discussions; However, business growth assistance did. Export assistance could be a part of business growth assistance.
**	OBID Certification	COBID certification assistance helps socially, and economically disadvantaged businesses gain access to the resources and opportunities they need to thrive and grow.	÷.	Ē	—	~	OBID certification assistance had mixed responses from the survey with many stating they did not know if this was adequately supplied. It was not a key theme in interviews, focus group, or leadership meetings.
<b>M</b>	Tech Adoption	Assistance learning about new technologies and adopting into businesses.	Ē	Ē	Ē	×	Discussions revealed a lot of interest in new technologies and optimism on how new technology could benefit businesses in the region. However, there was uncertainty regarding businesses' ability to cope with rapid technological advancements, including staying informed about available options, making affective decisions, and affording suitable technology for operations.
Po	E-commerce / Marketing	Help businesses identify and reach their target audience, increase brand awareness, and generate leads and sales.	Ē	Ē	—	~	Did not come up as a key need in discussions.
Net	working and Cult	ure					
	Convening / Communication / Events	Helps businesses gain exposure, access resources, and build relationships that can lead to partnerships, customers, and investors.	Ē	Ē	Ē	×	Despite the number of services provided in this space, discussions revealed a desire for more networking, within and across industries. There is a need for more culturally specific networking.Wasco Innovators Initiative could be something to model.
	Industry Groups / Data	Provide industry-specific information, best practices and connection to other people and businesses within that industry. Could include targeted business guidance.	Í.	Ē	Ē	~	Industry groups/data was seen as a strength of the region in Leadership discussions. As identified in business growth assistance, businesses need more specific growth planning and networking/connection help (i.e., How do I pick up accounts in other regions, states, countries, etc.) which could fall under this category.
<u>.</u>	Co-Working	An affordable and flexible space that typically offer a range of amenities and services, such as shared workstations, meeting rooms, high-speed internet, printing and scanning facilities, and access to social and networking events.	Ē	N/A	_	~	Co-working did not come up as a key need during discussions. However, affordable office/flex space did come up as a need. Documented this in the accelerator/incubator section.
<b>e</b> )	Mentorship	A relationship in which an experienced and successful businessperson provides guidance, advice, and support to an early-stage entrepreneur or startup founder. The mentor typically offers insights into specific aspects of running a business, such as marketing, finance, and operations.	Ē	İ	Ē	×	Moderate need was identified in the survey; discussions revealed additional opportunity in recruiting experts to participate in a regional mentorship network.
, Ş	Startup Events / Cohorts	Provide startups with exposure, feedback, and opportunities to connect with potential customers, partners, and investors. These events/cohorts often include trainings, pitch competitions, demo days, hackathons, conferences, and mentoring programs that allow startups to showcase their products or services, receive feedback from experts, and gain valuable insights and knowledge from industry leaders and experienced entrepreneurs.	Ē	Ē	Ē	~	Discussions seemed to suggest that the need was around networking and events but not necessarily startup events/cohorts.
* KEY	Low Need	from experts, and gain valuable insights and knowledge from industry leaders and experienced entrepreneurs.		Sufficiency		uate Sufficienc	

	ELEMENT	DESCRIPTION	LE ASSET MAPPING	EVEL OF SERV	ICE DIRECT ENGAGEMENT	SUFFICIENCY OF SERVICE	WHY?
	Accelerator / Incubator	Helps entrepreneurs turn their ideas into successful businesses by offering access to funding, workspace, professional services, and a community of like-minded individuals. Business accelerators/ incubators can have a competitive application process, and those selected to participate receive training, guidance, and support over a fixed period.	Ē	•	(affordable flex space)	(affordable office/ flex space)	Discussions with the Leadership Team indicated that this is more about the need for flexible space rather than programming. Businesses need affordable flex space; could explore leases that increase over time. This space is needed for new and growing businesses.
Lab	or						
\$	Higher Education	Provides advanced knowledge, skills, and training to individuals, which can lead to increased innovation and more successful business startups.	Î	i	Ē	~	While there may be opportunity to improve connections with four-year universities, the Community College was generally seen as a strength of the region. Columbia Gorge Community College (CGCC) does a good job equipping students with the foundational skills for getting jobs. Employers then provide more specialized training on the job. The Community College can be nimble in response to industry needs. There is opportunity to build on this strength. While the need for specific skills came up, the need for additional higher education opportunities was not identified as a key need.
**	Internships	Temporary work experiences that allow individuals to gain practical skills, industry knowledge, and professional contacts. Can lead to permanent jobs and supports the local pipeline.	Í.	Ē	—	×	Challenges attracting workers could indicate the need for more pipeline programs such as internships that pull from workers enrolled in the community college and other workforce programs that have been tailored to meet the needs of local businesses.
<u>()</u>	Talent Attraction	Efforts aimed at attracting and retaining skilled workers, entrepreneurs, and businesses to a particular region.	Ē	Ē	İ	×	Talent attraction is difficult partially due to the rural nature of much of the region (relative to Portland), limited, high-cost housing, and limited opportunities for spousal employment. This seems to be less about the need for support with talent attraction and more about foundational barriers such as lack of housing.
Î	Workforce Training	Training programs that provide specific, job-related skills and knowledge to individuals, usually in a short-term or vocational context; often designed to meet the needs of employers or specific industries.	Ē	i	Ē	~	Workforce training is the flip side of talent attraction There may be opportunity to improve the pipeline from local training programs to in-demand jobs. There are barriers to recognizing skills / credentials acquired elsewhere, especially credential obtained in other countries. Workforce development programs may be critical for employers trying to grow their workforce.
Idea	ation & Viability						
E.	Patenting Assistance	Guidance and support throughout the process of obtaining a patent for a product or invention, which can include help with conducting patent searches, drafting patent applications, and navigating the patent approval process.	Ē	Ē	—	~	Did not come up as a key need in discussions.
	Research Institution	Access to cutting-edge research, technology transfer opportunities, funding, mentorship, and networking connections with industry experts, investors, and potential collaborators.	Ē	Ē	İ.	~	A lack of a local research institution does not seem to be limiting the innovation potential of the region. Many successful businesses have spun off from, and support, the UAS sector in the region. Other innovative and high growth companies exist in food and beverage among other industries. There may be opportunity for the region to better connect with more distant universities, but starting a new local research institution is unlikely in the region.
Tèi	Makerspace / Prototyping / Viability	Collaborative workspaces that provide entrepreneurs with access to tools, equipment, and resources to develop, design, and create their products or prototypes, and can offer benefits such as lower costs, shorter product development cycles, and opportunities for collaboration and networking with other like-minded individuals.	Ē	İ	Ē	×	The CGCC Skills Center may be the most important asset to leverage for both prototyping and creating a broader culture of innovation. Discussions revealed that there may be need for more cold storage and commercial kitchens and that distribution is a huge barrier for small producers.
KEY	Low Need	Bedium Need 📋 High Need — Not a Key Need 🖌	Adequate S	Sufficiency	🗙 Inadequ	iate Sufficienc	у

### Exhibit 10. Matching Needs with Existing Providers ("Need Filtering")

	ELEMENT	BUSINESS OWNERS AND ENTREPRENEURS NEED	WHAT IS TO MEET THIS NEED? ESTABLISH, EXPAND, OR CONNECT?	WHO WILL MEET THESE NEEDS AND HOW?	DEI CONSIDERATIONS
\$ \$ \$	Venture Capital	<ul> <li>Education on how venture capital works and how to secure it</li> <li>Access to investors who want to invest in Mid-Columbia Oregon businesses, especially to fund early-stage ideas</li> </ul>	Establish a Venture Catalyst position that will serve the Mid-Columbia region Establish a marketing/education program to recruit investors to the region	Lead - Hub (Venture Catalyst): Provide one-on- one assistance educating businesses on venture capital. Direct businesses for whom venture capital is not the right step to the correct service. Prep and connect businesses with investors. Develop a marketing campaign to promote the region to investors.	To promote participation from diverse groups, venture catalysts should take steps like building a diverse network of partners and entrepreneurs, working with those partners to understand the unique challenges faced by underrepresented founders, providing tailored guidance and support to help these entrepreneurs overcome those challenges, connecting underrepresented founders with diverse angel investors, and advocating within their networks about the benefits of diversity and supporting diverse entrepreneurs.
<u>.</u>	Pitch Competitions	<ul> <li>Opportunities to connect with investors and secure venture capital</li> </ul>	<b>Connect</b> entrepreneurs with regional and state competitions <b>Expand (fund)</b> the regional pitch competition pilot project organized by MCEDD and the SBDC	Lead - Hub (Venture Catalyst): Connect with state and regional organizations that hold pitch competitions and work with entrepreneurs to prepare their pitches. Leverage connection with Oregon Entrepreneurs Network (OEN). Develop a marketing campaign to promote the region to investors. Lead - Hub (Innovation Liaison): Organize and host regional pitch competitions Partners: OEN, MCEDD	Entrepreneurs who are tuned into the investment capital network may find additional service unnecessary, but pitch competitions targeted to underrepresented communities may be helpful.
Â,	Tech Adoption	<ul> <li>Opportunities to learn about new technologies and how they can be used in their industry</li> <li>Education on adopting new technologies</li> <li>Access to the necessary funding to upgrade technology</li> </ul>	Connect entrepreneurs with existing technology and equipment that they may be able to use to advance their business Establish industry-specific advanced technology support and education program Establish events that showcase technology and equipment and how they can be used to benefit different industries Connect entrepreneurs with available funding to adopt or upgrade equipment, when necessary	<ul> <li>Lead - CIE: Provide specialized industry specific information and equipment. Connect CIE target industry with other industries and businesses that could benefit from the technology. Organize events that showcase new technology (within CIE scope) and its application to businesses.</li> <li>OMEP: Provide specialized information on manufacturing technology and equipment. Connect businesses to local resources such as colleges where they may be able to share equipment.</li> <li>Columbia Gorge Community College: Run programs where businesses can test and use equipment.</li> <li>Private businesses: Showcase technology</li> </ul>	
	Financial / Legal / Accounting / Tax Asst.	Access to one-on-one legal and tax advice	Connect entrepreneurs and business owners with appropriate resources	SBDC: connect businesses to private legal and tax assistance services. To ensure equitable access, the SBDC should identify firms capable of serving diverse clients	This includes considering factors such as the need for Spanish language support, addressing the intersection of immigration and business inquiries, and other relevant considerations.
ţ.	Business Growth Assistance	Guidance on how to grow their business	Connect businesses with existing service providers who provide business growth planning assistance including guidance on hiring and expanding to new markets Establish industry specific business growth assistance support Establish targeted growth assistance for high- growth companies	<ul> <li>SBDC: provide general business planning and business growth assistance</li> <li>Hub (Venture Catalyst): provide targeted assistance to high-growth companies on preparing for and going after venture capital.</li> <li>CIE: provide industry specific guidance such as expanding into new territories or connecting with workforce training programs</li> </ul>	

	ELEMENT	BUSINESS OWNERS AND ENTREPRENEURS NEED	WHAT IS TO MEET THIS NEED? ESTABLISH, Expand, or connect?	WHO WILL MEET THESE NEEDS AND HOW?	DEI CONSIDERATIONS
¥.	Affordable Flex Space	<ul> <li>Flexible space that will allow them to expand their businesses</li> </ul>	Establish new flex spaces throughout the region	Lead - Local government: The Ports can and have supported flex space development. However, flex space is more expensive for government entities to construct than the private market. Local governments including cities and ports need additional funding. Local government is better able to assume the risk of development to achieve long- term goals. Partner with <b>Business Oregon</b> for funding	Lack of available land is a key barrier for business growth
	Mentorship	More mentorship opportunities and guidance	<b>Establish</b> a network of mentors that could support entrepreneurs across the region.	Lead - CIE: Recruit mentors and establish industry specific mentorship network The Hub and OEN could connect entrepreneurs with the mentorship network Investors as mentors	Mentors should be diverse and able to help mentees navigate challenges associated with being a minority or underrepresented entrepreneur
	Convening / Communication/ Events	<ul> <li>More networking opportunities to connect with peers</li> <li>More opportunities to network with people across industries</li> </ul>	<b>Connect</b> entrepreneurs with existing networking events <b>Expand/fund</b> organizations who are hosting networking events <b>Establish</b> peer networking events and/or counseling sessions	Lead -Hub (Innovation Liaison): Connect with existing organizations that are hosting networking events and consider how to support/promote these events. Manage additional peer networking events coordinating with partners on venue and needs. These would be more general entrepreneurship events and should be in different places throughout the region. These will need to provide high value for attendees. *Wasco Innovators Initiative could be something to model CIE and other Industry Specific groups: Host industry specific events Partner with other organizations including culturally specific organizations	Culturally specific networking events could be especially beneficial for ensuring that minority entrepreneurs and business owners have they support they need to succeed; assistance navigating the various challenges of the non- dominant society
**	Internships	<ul> <li>Access to a skilled workforce; workers need a place to live</li> <li>Better connections with colleges and workforce programs</li> </ul>	<b>Connect</b> existing college and workforce development programs with local businesses <b>Expand</b> internship and workforce programs	Lead - Columbia Gorge Community College (CGCC): Working closely with local businesses establish internship programs; consider requiring internships to graduate for some programs (this may require placement assistance/guarantees) Gorgeworks: Collaborate with community college in establishing internship program. Connect with industries to understand needs CIEs: work to connect businesses with the relevant training programs. Serve as a resource to help partners develop and promote internship programs Businesses: Establish internship positions and collaborate with colleges and technical high schools to host interns. Consider what role the business could play in providing short term housing Government and other partners: Execute on strategies to address housing needs	Lack of affordable housing is a key barrier for many interns. Concerns with accessing services and impact on immigration

	ELEMENT	BUSINESS OWNERS AND ENTREPRENEURS NEED	WHAT IS TO MEET THIS NEED? ESTABLISH, EXPAND, OR CONNECT?	WHO WILL MEET THESE NEEDS AND HOW?	DEI CONSIDERATIONS
<u>,</u>	Talent Attraction & Retraction	<ul> <li>Access to a skilled workforce; workers need a place to live</li> </ul>	<b>Connect</b> with internship programs	Government and other partners: Execute on strategies to address housing needs and develop community amenities CGCC and Workforce Development Board: support local recruitment efforts highlighting local businesses; work to remove barriers to skills/ credential recognition	Lack of housing and amenities is a barrier to executing on a recruitment strategy. Some of the workforce may already be qualified for positions but barriers exist to recognizing the skills/credentials they acquired in other countries
Te	Makerspace / Prototyping / Viability	<ul> <li>Space for exploring and testing new ideas and products</li> </ul>	Connect with existing, underused space and equipment Expand access to space and programming for businesses that allows them to explore viability that aligns with industry needs; Initial conversations suggest this is space for cold storage and commercial kitchen	Lead - CGCC: Develop partnerships and connect entrepreneurs with available maker / prototyping spaces within the college. Manage programming that will allow entrepreneurs to leverage college equipment, space, and expertise which could include training sessions, workshops, and membership fees. Expand maker/prototyping/viability space at CGCC as funding allows.	
	Fesource	<ul> <li>Better connections between local and regional resources</li> <li>Better connections to statewide resources</li> </ul>	<b>Connect</b> local and regional assets <b>Connect</b> statewide resources	Lead - Hub (Innovation Liaison and Venture Catalyst): Keep track of the innovation ecosystem and resources. Provide a local resource to address questions and problems raised by businesses. Direct businesses to the right resource. If unknown, the convener/connector would research for additional resources and/or work with partners to address this need. Forced two-way communication within the innovation sphere. Learning about business needs and then coordinating solutions (meetings, convening, and collaboration). Attend events or suggest who else should attend events. Connect with other regions.	