AGENDA
Thursday February 16\textsuperscript{th}, 2017
9:00 am – noon

Wille Hall
Central Oregon Community College
2600 NW College Way
Bend, OR

Call in: 1-888-557-8511
Participant code: 9470233

I. Introductions

II. Welcome new members, Mike Hollern, Governor’s Convener

III. Regional Solutions overview, Annette Liebe, Regional Solutions Director/Coordinator

IV. Overview of Governor Brown’s Recommended Budget for Economic Development, Regional Solutions Priority Project Funding– Annette Liebe, Regional Solutions Director/Coordinator

V. Creative Economy Action Plan – stakeholder feedback and recommended next steps – Mike Hollern, Convener and Annette Liebe (attachment)

VI. Forestry Panel: Forest land management trends, opportunities and challenges.
   • Damon Runburg, Oregon Employment Department
   • Chad Davis, Oregon Department of Forestry (via conference call)
   • John Allen, Deschutes National Forest
   • Bruce Daucsavage, Ochoco Lumber
   • Craig Bienz, the Nature Conservancy
   • Alan Unger, former Deschutes County Commissioner
VII. Southern Oregon regional land use pilot project and resource lands work in Deschutes County
   • Jim Rue, Director Department of Land Conservation and Development, Jon Jinings, Resource Lands Specialist (DLCD)
   • Nick Lelack, Planning Director Deschutes County

VIII. Public Comment

IX. 2017 meeting schedule
    Proposed dates:
    April 24, 10:00 am – noon
    August 10, 10:00 am – noon
    October 19, 10:00 am - noon

Adjourn

The meeting location is accessible to persons with disabilities. To request an interpreter for the hearing impaired or for other accommodations for persons with disabilities, please make requests at least 48 hours before the meeting to Lisa Howard at 503-378-6502; at Lisa.Howard@Oregon.gov; or by TTY: Oregon Relay Services at 1-800-735-2900
REGIONAL SOLUTIONS: AN OVERVIEW

STATE OF OREGON
REGIONAL SOLUTIONS PROGRAM
WWW.REGIONALSOLUTIONS.OREGON.GOV
Governor Kate Brown

Key Priorities:

• Expand opportunities for all Oregonians to thrive

• Support sustained economic growth statewide
Regional Solutions Program: *Purpose*

Align state resources (capacity, info and funding) to support economic and community development that:

- Promotes, expands or prevents the decline of industries and businesses;
- Creates jobs or prevents the loss of jobs; and
- Improves the economy

Coordinate State Action
Solve Problems
Regional Solutions Program:

Regions – Committees - Teams – Centers

Regions are strategically aligned with the 11 federally designated economic development districts in Oregon.

- **Valley North Coast**
  - North Coast Region
  - Mid-Valley Region
  - South Valley/Mid Coast Region

- **Southern Oregon**
  - South Coast Region
  - Southern Oregon Region

- **Metro**
  - Metro Region

- **Central Oregon**
  - Central Region
  - North Central Region
  - South Central Region

- **Eastern Oregon**
  - Greater Eastern Oregon Region
  - Northeast Oregon Region

- Regional Solutions Center

![Map of Oregon showing regions and economic districts](image)
Regional Solutions Program:
Regions – Committees - Teams – Centers

Five key members appointed by the governor:

1. Convener
2. Private Sector Representative
3. Philanthropic Representative
4. A member recommended by AOC
5. A member recommended by LOC

Additional members added by these appointees.
Regional Solutions Program:

Regions – Committees - Teams – Centers

The role of the committees is to...

1. Establish Regional priorities for community and economic development in the region;

2. Assist Regional Solutions coordinators and teams with connecting to local resources; and

3. Consider, review, and recommend regional implementation project proposals.
Central Oregon Priorities

HIGH FOCUS PRIORITIES:

The committee, coordinator and team will actively engage in seeking solutions and projects that contribute to successful outcomes for the priority.

Establish a four year university (OSU Cascades)

Retain and Grow Jobs

Ensure the region has land and infrastructure available to retain/attract employers

Enhance Transit in Central Oregon (COIC led priority)

Support the Regional Creative Economy

Increase Work Force Housing:

Encourage Water conservation and restoration. Improve Water Availability
Central Oregon priorities

The committee, coordinator and team will monitor, engage and support as needed and requested. The coordinator/team will continue working with communities opportunistically to address these priorities and to serve as a catalyst for their successful accomplishment.

Improve Sewer Infrastructure

Support Regional Agriculture (COIC led priority)

Improve forest health
Regional Solutions Program: 
*Regions – Committees - **Teams** – Centers*

- 11 Regional Solutions Teams (RSTs)
- Each RST: Includes five core state agencies and a coordinator
- The **role** of the team is to make things happen!
Regional Solutions Program:
Regions – Committees - Teams – **Centers**

- 6 Regional Solutions Centers (RSCs)
- Home base for Regional Solutions Teams
- Co-location enhances ability to work together on projects
- One-stop shop for the public
Regional Solutions Program: *How can we help?*

- Elevate a project and involve the proper state agency staff
- Point of access for communities and project proponents in region
- Seek creative ways to make projects more efficient
Need more info?

www.regionalsolutions.oregon.gov
Key agency budget components that support economic and community development

A. Business Oregon
   1. Regional Infrastructure Fund ($11 M, HB 5025 & SB 5530)
      • Support Regional Solutions projects recommended by Regional Solutions Advisory Committees
   2. Special Public Works Fund ($50 M)
      • $10 M dedicated to levees
   3. Seismic Rehabilitation ($200 M)
      • $160 M – Schools
      • $40 M – Emergency Services Buildings
   4. Support for Innovation & Entrepreneurship
      • Rural Economic Development Initiative ($1 M)
      • Regional Accelerator & Innovation Network – RAIN ($500 K)
   5. Oregon Inc. ($17.5 M)
   6. Portland Harbor Cleanup ($10 M)
   7. Small-Scale Energy Loan Program ($2.7 M)

B. Department of Transportation
   1. Connect Oregon ($71 M), Lottery Backed Bonds
   2. Immediate Opportunity Fund ($7 M)

C. Water Resources Department
   2. Increasing Capacity for Groundwater Studies ($1.8 M)
   3. Helping Communities Plan for Water Needs ($204 K)

D. Other Agency Funds
   1. Oregon Department of Forestry - Restoring Federal Forest Lands, Creating Jobs ($4.4 M)
   2. Department of Environmental Quality - Clean Water State Revolving Fund ($10 M)
REGIONAL SOLUTIONS PROGRAM
Regional Infrastructure Fund | 2017-19
Regional Implementation Projects Review Process
Minimum of 5% of funds assigned per each of 11 regions; remaining 45% competitively awarded based on designated criteria

Application identifies the following:
- Regional Solutions priority supported by project outcomes
- Project scope & context
- Project manager, work items, & roles/responsibilities
- Funding partners, roles, & contributions
- Project timeline & completion date
- Community support for project
- Needed state, local, and federal approvals/permits

Evaluation Criteria
- Moves the dial on one or more regional priorities
- Completeness & project readiness
- Supports retention or creation of jobs
- Project leverages/aligns resources from other sources
- Resource commitment letters from all parties
- Project has a sustainable business plan
- Project helps meet the sustainable community objectives

- Where possible, identified issues vetted & resolved by Regional Solutions Team and/or Regional Solutions Committee

- Opportunity for public comment at least 14 days in advance of consideration at RSAC meeting
- Review applications for projects that move the needle on the highest regional priorities
- Recommend projects for funding

- Project recommendations reviewed & awards determined by a Grant and Loan Review Committee designated by Business Oregon

- Funding financing schedule established
- Funding contract for loan, grant, or combination executed with project sponsor
- Funding requests received & processed by IFA staff
- Project progress monitored by IFA & Regional Solutions Coordinator
MEMORANDUM

TO: Central Oregon Regional Solutions Committee

FROM: Annette Liebe

DATE: December 2, 2017

RE: Next Steps Creative Economy Action plan

I. Background

The Central Oregon Regional Solutions Advisory Committee identified supporting regional arts and culture as a priority because of the direct and indirect economic development benefits. Direct benefits are the number of people employed in the sector (artists, designers, musicians, actors, etc.). Indirect benefits include both the attraction of visitors from outside the region that spend money while they are in Central Oregon thereby supporting employment and, the value of a thriving arts and culture scene in retaining and attracting employers.

On October 25, 2016 Paul Nicholson presented nine recommendations for retaining and increasing jobs in the Central Oregon Creative Economy. The recommendations are:

1. Engage a top level firm to brand the region’s arts and cultural vibrancy
2. Create a Region-wide Cultural Marketing Plan
3. Create and Fund a Central Oregon “Arts Guru”
4. Fund the creation of a centralized on-line system to gives potential visitors one place to go to get information on all arts and culture events in the region
5. Set up and fund a Board Training Program for Nonprofits, focused on building capacity
6. Provide the seed money to allow the exploration of The Big Art Event
7. Invest in a video to promote the region’s beauty and talent as a filming destination
8. Provide seed money to seriously explore the implications of a region-wide mural extravaganza
9. Support the creation of a Regional Arts and Culture Council

II. Summary of Feedback Received

Subsequent to the October 25th Committee meeting the report was sent to all those who were interviewed by Paul Nicholson, the Arts and Culture Alliance, Visit Bend, the Central Oregon Visitors Association and the funders. We asked these stakeholders to review the report and provide feedback on the recommendations including, who the most appropriate parties are to implement priority recommendations.

Here’s what we heard:

• The Arts and Culture Alliance is the appropriate entity to serve as the regional arts organization.
• Branding and marketing are important and are part of the vision/mission of the Arts and Culture Alliance in partnership with others.
• The Arts and Culture Alliance leaders serve as the Arts “Guru”....or in other words, “we don’t need an arts guru.”
• A centralized on-line system that gives potential visitors one place to go to get information on all arts and culture events in the region is a good idea but is expensive to maintain. This could be integrated to the existing data base at Central Oregon Visitors Association.
• The “Big Art Event” or a region wide mural extravaganza need to be vetted better and will occur organically through a strong regional organization.
• Board training is already provided by the Non Profit Association of Oregon.
• Recommendations should speak to creating space for artists to work/live.
• Some provided feedback that there were key components of the “sector” missing (e.g. culinary, literary arts, etc.) or that the data was incomplete.
• State video office is already responsible for marketing filming destinations and should be low priority.

III. Recommended priorities/next steps:

• Strengthening the Arts and Culture Alliance is the critical next step. To that end, the funders of the Creative Economy Action Plan project have agreed to contribute remaining project funds (approx. $3300) to help with the ACA’s strategic planning process. Ideally the ACA will be able to update their existing strategic plan and develop a business plan. This could lay the foundation for the ACA to hire staff. They currently have part time administrative staff.
• Branding and marketing are priorities for the ACA; we will work to find resources to assist.
• Support greater collaboration among the tourism and arts and culture leaders.
• Work with the ACA to explore funding and partnerships for the online tool.
Timber Harvest for Crook, Deschutes, and Jefferson Counties
1996-2015

- Total BLM
- Total USFS
- Total State
- Total County/Municipal
- Total Industry
- Total NIP
- Total Native American
Timber Harvest for Crook, Deschutes, and Jefferson Counties by Ownership, 2011-2015

- Total USFS
- Total County/Municipal
- Total Industry
- Total NIP
- Total Native American

Timber Harvest Volume (mbf)

- 2011
- 2012
- 2013
- 2014
- 2015
Federal Forest Restoration (FFR)

• 2009 Federal Forest Advisory Committee Report
  • Called for State action, including state funds
  • Identified collaboration as a path forward

• 2012 FFAC Subcommittee
  ◦ Scopes out State funding package
  ◦ Co-funded Forest Restoration Economic Analysis
FFR: Case for state investment

• Much of eastern Oregon forests & watersheds at elevated risk for uncharacteristic fire

• Unemployment in our rural communities impacts the State budget

• Every $1 million investment in restoration returns $5.7 million to local/state economies
FFR: Budget history

- Prioritized in Gov Kitzhaber’s ‘13-15 budget
  - $2.88 million in ODFs budget (one-time, LF)

- ODF “carried” in ‘15-17 and ‘17-19 budgets
  - ‘15-17 biennium: $5.0 million
  - GRB ‘17-19: $4.4 million
    - Permanent into ODF base budget
    - Plus $1.5 million in FF/OF limitation
FFR Committed Funds, 2015-17

- Collaborative Grants: $733,908
- Tech/Sci Assistance: $508,114
- SFIP Crews: $1,601,361
- SFIP Contracts: $1,902,031
- District Coordinators: $462,386
- Project Management: $462,386
FFR Committed Funds, Eastside NFs

- Mt Hood east
- Malheur
- Umatilla
- Wallowa-Whitman
- Ochoco
- Fremont-Winema
- Deschutes

Legend:
- Collab Support - Grants
- Collab Support - TASS
- SFIP - Crews
- SFIP - Contracts
FFR: Results

• 14% increase in timber harvest from federal lands in eastern Oregon

• 16% increase in restoration-related jobs in eastern Oregon (2009-2011 vs. 2012-2014)

• State investments specifically supported 19 jobs and $2.1 million in economic activity
FFR: Next phase

• Good Neighbor Authority (2014 Farm Bill)
  ◦ Allows the State to act as an agent of the Secretary to implement work on federal forests

• Three project-level agreements signed to date

• Paddock Butte in design stage
  ◦ ODF will implement Federal timber sale & use revenue to “finish” restoration treatments
Agricultural Lands in Deschutes County
1968-2017
1. EFU Tour
2. Pre-Statewide Planning
3. Compliance with Statewide Planning Goal 3 Agriculture (1979)
5. Commercial Farm Study (1992)
8. Big Look Bill, Pilot Project, Agricultural Lands Public Outreach
9. EFU Benefits & Challenges
Exclusive Farm Use Zone (EFU)
Exclusive Farm Use Zone (EFU)
Exclusive Farm Use Zone (EFU)
Exclusive Farm Use Zone (EFU)
Exclusive Farm Use Zone (EFU)
8,371 Parcels
224,000 Privately Owned Acres
477,000 Publicly Owned Acres
701,000 Total Acres

36% of All County is Zoned EFU
59% of Privately Owned County is Zoned EFU
Agricultural Land Use History

1968
Zoning ordinance repealed by voters

1965
Deschutes County adopts first zoning ordinance

1970
Deschutes County adopts first Comp Plan

1971
Deschutes County adopts a zoning ordinance, creating two agricultural zones

1973
SB 100 signed into law, establishes Statewide Land Use Planning

1979
Deschutes County updates its Comp Plan to comply with State planning regulations. County also adopts EFU zoning for first time. County provides one-year window for property owners to rezone from EFU to MUA

1990
State imposes an enforcement order on Deschutes County for non-compliance

1992
Deschutes County, as a result of Periodic Review, completes a commercial farm study and adopts 7 new agricultural subzones.

2004
Oregon voters approve Measure 37

2007
Oregon voters approve Measure 49

2008
Deschutes County participates in the Big Look Task Force

2009-1.1
Deschutes County testifies in favor of HB 2229 and HB 3615
Planning Goes Statewide 1974

Statewide Land Use Goals Established

- Goal 1 - Citizen Involvement
- Goal 2 - Land Use Planning
- **Goal 3 - Agricultural Lands**
- Goal 4 - Forest Lands
- Goal 5 - Natural Resources, Scenic and Historic Areas, and Open Spaces
- Goal 6 - Air, Water and Land Resources Quality
- Goal 7 - Areas Subject to Natural Hazards
- Goal 8 - Recreational Needs
- Goal 9 - Economic Development
- Goal 10 - Housing
- Goal 11 - Public Facilities and Services
- Goal 12 - Transportation
- Goal 13 - Energy Conservation
- Goal 14 - Urbanization

(Goals 15-19 later added addressing the Willamette River and coastal resources)
Goal 3 Compliance 1979

“Year 2000” Comprehensive Plan
Compliance Challenge 1992

Enforcement Order

- County was not applying non-farm dwelling standards appropriately

- Required **ALL** dwellings in EFU zone be reviewed by Hearings Officer **AND** BOCC

- Ended after 1-year with compliance

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**A News Release from . . .**

Oregon’s Department of Land Conservation and Development (DLCD)
1175 Court Street NE, Salem OR 97310
For more information, call Mitch Rohse, Communications Manager, at 373-0064

June 15, 1992 – For Immediate Release

Successful negotiation halts enforcement action in Deschutes County

Salem -- In a telephone conference call today, Oregon’s Land Conservation and Development Commission (LCDC) withdrew a motion to enter into enforcement proceedings against Deschutes County. LCDC’s decision came as a result of successful negotiations between county officials and the Alliance for Responsible Land Use in Deschutes County (ARLUDeCo).

In May 1992, ARLUDeCo petitioned LCDC to adopt an enforcement order against Deschutes County. ARLUDeCo argued that county officials had been violating land use laws in approving permits for new houses on farmland.
Commercial Farm Study 1992

- Concluded that irrigation & irrigation districts are key factors
- Recommended 7 new agricultural subzones established to protect commercial agriculture lands while providing flexibility
- Smallest EFU lot sizes in Oregon

<table>
<thead>
<tr>
<th>Subzone Name</th>
<th>Minimum Irrigated Acres *</th>
<th>Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Bridge</td>
<td>130</td>
<td>Irrigated field crops, hay and pasture</td>
</tr>
<tr>
<td>Sisters/Cloverdale</td>
<td>63</td>
<td>Irrigated alfalfa, hay and pasture, wooded grazing and field crops</td>
</tr>
<tr>
<td>Terrebonne</td>
<td>35</td>
<td>Irrigated hay and pasture</td>
</tr>
<tr>
<td>Tumalo/Redmond/Bend</td>
<td>23</td>
<td>Irrigated pasture and some hay</td>
</tr>
<tr>
<td>Alfalfa</td>
<td>36</td>
<td>Irrigated hay and pasture</td>
</tr>
<tr>
<td>La Pine</td>
<td>37</td>
<td>Riparian meadows, grazing and meadow hay</td>
</tr>
<tr>
<td>Horse Ridge East</td>
<td>320 (dry)</td>
<td>Rangeland grazing</td>
</tr>
</tbody>
</table>

* Except Horse Ridge. Horse Ridge is based on dry acreage.
Source: Deschutes County 1992 Farm Study
EFU Subzones

Exclusive Farm Use Zone
- EFUAL - Alfalfa Subzone
- EFUHR - Horse Ridge Subzone
- EFULA - La Pine Subzone
- EFULB - Lower Bridge Subzone
- EFUSC - Sisters/Cloverdale Subzone
- EFUTE - Terrebonne Subzone
- EFUTRB - Tumalo/Redmond/Bend Subzone
Measure 37

- 170 Claims
- 6,300 Acres
- 1,780 Lots
- $500 million claimed losses

Measure 49

- 135 dwellings
- 96 new parcels
Goal 1  Preserve and maintain agricultural lands and the agricultural industry.

Policy 2.2.3  Allow comprehensive plan and zoning map amendments for individual EFU parcels as allowed by State Statute, Oregon Administrative Rules and this Comprehensive Plan.

Policy 2.2.4  Develop comprehensive policy criteria and code to provide clarity on when and how EFU parcels can be converted to other designations.

Goal 3  Ensure Exclusive Farm Use policies, classifications and codes are consistent with local and emerging agricultural conditions and markets.

Policy 2.2.14  Explore new methods of identifying and classifying agricultural lands.

c. Lobby for changes to State statute regarding agricultural definitions specific to Deschutes County that would allow some reclassification of agricultural lands.
2009-12 Supported Big Look Bill to allow counties to correct mapping errors that occurred when resource (farm & forest) lands first designated

Implementation requires LCDC approval; County indicated interest; DLCD allocated resources to assist

2011-12 Served on committees & actively supported bills to establish pilot project to allow regional definitions of farm and forest lands, including Deschutes County

2012 Governor approved Southern Oregon Regional Pilot Program (SORPP)

DLCD limited resources reallocated to SORPP
Changed circumstances do not warrant remapping under HB 2229 (not in error)

County requested LCDC to initiate rulemaking to implement Big Look law and/or to define non-resource lands
Agricultural Lands Public Outreach: 2014

Introduction

Active Exercises

Questionnaire

Passive Exercises
Is Deschutes County's Agricultural Lands Program Working?

**Yes, it is working because...**
- Opportunities for restoring land, once agricultural, to be productive
- Technological opportunities occurring in the region like greenhouses
- Reusing agricultural lands
- Urban spaces
- Farming methodology is changing
- Farm diversification
- More diverse crops like 50 different crops, meats (Poultry, Pork, Beef)
- Small milling
- Certified organic farming is emerging opportunity
- Value added, emergin opportunities

**No, it's not working because...**
- Destination resorts are a threat
- Difficult to make a profit to repay the cost for county rules
- Second nature dwellings are needed, ours restricted
- County is susceptible to proposals that change land use for the purpose
- Properties that may lose E&O status require the 10 yr retraction tax penalty
- Farming isn't allowed on small parcels to be retained for E&O
- Adjacent properties cite anti-farm complaint about agricultural activities impacts farming
- How do you rectify this?

**It depends because...**
- Neighborhd preservation, farm lifestyle at the expense of incompatible uses
- What happens to farm parcell when land use change?
- Larger farms can be threatened if some land is removed, country conflicts
- With the program could be more successful if the city's rules have not come to the process the application that sets aside land for protection (forever)
- Supplemental activities that support agricultural should be expedited
- Be careful of unintended consequences if you change land use, incompatible uses could threaten existing farms
Theme 1 - Retain:
The program is working as intended and no changes are needed.

Theme 2 - Revise:
The program warrants refinement that is reflective of local conditions.

Theme 3 - Redo:
The program is ineffective and overreaching with unintended consequences.
EFU “Benefits”

- Supports existing farms, provides for new agricultural opportunities such as wineries and marijuana
- Smallest EFU lot sizes in State, provides more opportunities for small farms & uses/development as allowed by EFU zone
  - Approved the most non-farm dwellings in Oregon (20 out of 85 in 2015; 19 issued in 2016)
  - County allows all statutory EFU uses – destination resorts, weddings (ag tourism), solar farms, guest ranches, distillery, etc.
- Protects natural resources – i.e., helping prevent federal listing of sage grouse
- Protects views, landscapes, recreation areas
- Provides a path for future urbanization around cities
EFU “Challenges”

- Rocky landscape & poor soil quality, depth
- Lack of water availability – low rainfall, limited water rights, increased demands
- Climate – fewest frost free days, short growing season
- Distance to markets
- Land use pattern & mixed zoning
  - Large number, small size & locations of farm & rural residential parcels
- Negative average annual farm income
Agricultural Lands in Deschutes County 1968-2017