



REGIONAL SOLUTIONS OFFICE
GOVERNOR KATE BROWN

Central Oregon Regional Solutions Advisory Committee
Representing Crook, Deschutes, and Jefferson Counties

AGENDA

Tuesday October 8, 2019

9:00 am – noon

Tykeson Hall Room 111, OSU Cascades

1500 SW Chandler Ave

Bend, OR 97702

Conference call: 1.541.465.2805, code: 980094#

- I. Introductions
- II. Panel on Childcare: Issues and Opportunities
 - A. Overview – Alyssa Chatterjee, Deputy Education Policy Advisor, Governor’s Office
 - a. Childcare availability in Oregon & Central Oregon
 - b. Student Success Act investments in Early Childhood Education
 - c. Childcare Task Force
 - B. Regional resource and referral network and Baby Promise – Erin Pullen, Neighbor Impact
 - C. Employer perspectives – Jon Stark, Economic Development for Central Oregon
 - D. Regional efforts to increase supply – Katy Brooks, Bend Chamber
 - a. Childcare accelerator
 - b. US Chamber Foundation regional meetings
 - E. OSU-Cascades/COCC pilot project – Kelly Sparks, OSU Cascades
 - F. Regional Solutions state agency workgroup – Annette Liebe, Regional Solutions Coordinator
- III. BREAK
- IV. Update on Governor’s Wildfire Council (Exec Order 1901) - Bend Mayor Sally Russell, Wildfire Council Member
- V. Regional Solutions Secretary of State Audit, overview and outcomes – Annette Liebe, Regional Solutions Coordinator

VI. 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 Rebekah Degner at 503-378-6502; at Rebekah.Degner@Oregon.gov; or by TTY: Oregon Relay Services at 1-800-735-2900

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CENTRAL OREGON REGIONAL SOLUTIONS TEAM



Annette Liebe – Governor’s Office - RSC Coordinator
Theresa Conley - Oregon Department of Transportation
Scott Edelman & Jon Jinings - Oregon Dept. of Land Conservation & Development
Greg Svelund- Oregon Department of Environmental Quality
Robert Del Mar- Oregon Department of Energy
Carolyn Meece & Tom Schnell- Business Oregon
Nancy Pustis & John Swanson- Department of State Lands
Damon Runberg - Employment Department
Michael Harrington - Oregon Department of Fish and Wildlife
Kim Travis - Oregon Housing and Community Service
Kyle Gorman - Water Resources Department
Sheri Stuart – Main Street Program, Oregon State Parks
Chrissy Curran & Ian Johnson - State Historic Preservation Office
Theresa Yoshioka – Department of Agriculture
Scott Aycock - Central Oregon Intergovernmental Council

Governor Kate Brown’s Regional Solutions Centers (RSCs) are places for state agencies to collaborate with each other, local governments, and with other public, private, and civic interests to solve problems and seize opportunities. Regional Solutions Center Advisory Committees, made up of Oregonians appointed by the Governor from business, civic organizations, government, foundations, and higher education, identify priorities to guide the work.

Central Oregon Regional Solutions Advisory Committee

Michael P. Hollern
Brooks Resources Corporation
Associates

Mae Huston
Jefferson County Commissioner

Steve Uffelman, Mayor
City of Prineville

Amy Tykeson
Tykeson and

Anne George
Oregon Community Foundation

Dr. Rebecca Johnson, VP
OSU Cascades

Daniel Richer, Mayor
City of LaPine

Melanie Widmer
Madras Sanitary

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Seth Crawford
Crook County Court

Tammy Baney, Exec Dir
Central OR Intergovt'l Council

Roger Lee, CEO
EDCO

vacant
Warm Springs Tribes

George Endicott, Mayor
City of Redmond

Bruce Abernethy, Councilor
City of Bend

Wally Corwin
JeldWen, Inc

John Gilbert
Pacific Crest Affordable
Housing

Tony DeBone, Commissioner
Deschutes County

Matt Abrams, Partner
Seven Peaks Ventures

Benny Benson, PE
Energyneering, Inc.

George Neilson, Chairman
Bean Foundation

Richard Ladebey, Mayor
City of Madras

Jay Head, President/CEO
Black Butte Ranch

Michael Preedin, Councilor
City of Sisters

Betty Roppe
Citizen

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Regional Priorities:

HIGH FOCUS PRIORITIES:

1. Grow OSU Cascades
2. Increase Workforce Housing
3. Employment land and infrastructure to retain and attract employers
4. Encourage Water conservation and restoration. Improve Water Availability
5. Vibrant Downtown Cores
6. Emergency preparedness/response
7. Childcare Availability

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

SUPPORT PRIORITIES

1. Integrate workforce training opportunities (ECWIB led)
2. Enhance Transit in Central Oregon (COIC led)
3. Support the Regional Creative Economy
4. Outdoor Recreation

For Support 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.

HIGH FOCUS PRIORITIES

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Grow OSU Cascades

Outcomes:

- Campus continues to grow as demonstrated by increased square footage, enrollment and employment.
- Students are placed in internships and jobs in Central Oregon.
- Degree programs and classes meet the needs of employers.
- Access from throughout Central Oregon is increased.

	Partners	Milestones
<p>1. OSU Cascades Construction, Site Evaluation, Planning and Preparation</p> <p>PROJECT GOALS:</p> <ul style="list-style-type: none"> • Support clean up and re-use of the former landfill site. • Support continued build out of the campus. 	<ul style="list-style-type: none"> • Bend Chamber • EDCO • Land Conservation Development • Transportation • Department of Environmental Quality • Business Oregon • SHPO • Oregon Department of Energy • Central Oregon Intergovernmental Council 	<ul style="list-style-type: none"> • DEQ is working closely with OSU Cascades to implement a re-development plan that utilizes former landfill materials as fill at the pumice mine. • Business Oregon and DEQ worked to secure Business Oregon \$25,000 brownfields integrated planning grant towards development of a Redevelopment Economic Feasibility and Financial Strategies Plan. • Pre-certified for a \$30,347 tax credit through the Oregon Department of Energy Commercial Buildings Energy Incentive Program. • DEQ negotiated a Prospective Purchaser Agreement with OSU Cascades for the former county landfill site. • Team providing info on infrastructure financing options. • DEQ and ODOE providing technical assistance on potential biomass project. • Agencies participated in CDFA assessment of infrastructure financing opportunities. • Support for a \$500k EPA Brownfield application • Secured \$39M in 2018 session for construction of second academic building

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<p>2. Innovation District NEED CITY/CHAMBER BRIEFING ON THIS</p>	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
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<p>Increase Work Force Housing: Outcomes:</p> <ul style="list-style-type: none"> • Housing supply sufficient to retain and attract employees. • Employees across the income spectrum are able to find housing. 		
	Partners	Milestones
<p>1. Partner with Employers to increase housing supply- Jefferson County School District Pilot project</p>	<ul style="list-style-type: none"> • Regional Solutions Cabinet (state agency directors) • Oregon Housing and Community Services • Jefferson County School District 	<ul style="list-style-type: none"> • Jefferson County School District was selected as one of the Regional Solutions Workforce Housing pilot projects; OHCS executed grant agreement with school district to rehabilitate 5 homes and purchase 2 manufactured homes for teachers at K-8 school. Work is progressing, waiting for permits and inspections with Warm Springs.
<p>2. Support development of the state owned (DSL) Stevens Road parcel.</p> <p>PROJECT GOALS: 1000 additional housing units 130 acres of employment land</p>	<ul style="list-style-type: none"> • City of Bend • State Lands • Transportation • Private Developers • 	<ul style="list-style-type: none"> • State Land Board initiated the due diligence process to determine whether and how to market the property (October 2017) • Ensure developers in Central Oregon are aware of the state's process/opportunity. (Open house February 15, 2018). • New appraisal conducted July 2019 to determine fair market value of property to determine DSL's direction for best method to prepare for a future land sale. •
<p>3. Provide funding and technical assistance to increase housing supply, identify land needs and address code improvements</p>	<ul style="list-style-type: none"> • ODOT • Business Oregon • Environmental Quality • Land Conservation and Development 	<ul style="list-style-type: none"> • Participate in Regional Housing 4 All initiative; • Meet with local partners

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<ul style="list-style-type: none"> • Redmond • Sisters • Prineville • Madras • Warm Springs 	<ul style="list-style-type: none"> • Oregon Housing and Community Services • Main Street program • Neighbor Impact 	
<p>4. Preserve existing housing stock</p>	<ul style="list-style-type: none"> • Business Oregon • NeighborImpact • SHPO 	<ul style="list-style-type: none"> • Business Oregon and NeighborImpact met with housing leaders in Madras, Prineville and La Pine to discuss housing re-hab. • RST agencies and Neighbor Impact met with Warm Springs Tribes to offer assistance re: housing decontamination and rehab.

Region has land and infrastructure available to retain/attract employers

Outcomes:

- Communities in the region have an adequate supply of readily developable employment/industrial land.
- Land that is developed is replenished.
- Federal, state, local and private funds are leveraged to provide infrastructure.

	Partners	Milestones
<p>1. Redmond DSL large lot site</p> <p>PROJECT GOALS:</p> <ul style="list-style-type: none"> • Bring ~ 900 acres into the Redmond Urban Growth Boundary to support traded sector job growth. • Provide Infrastructure 	<ul style="list-style-type: none"> • EDCO • Central Oregon Intergovernmental Council • City of Redmond • State Lands • Business Oregon • Transportation • Environmental Quality • Land Conservation & Development 	<ul style="list-style-type: none"> • SE Sewer interceptor was funded by DEQ loan • DLCD acknowledged the DSL Site UGB expansion through the Regional Large Lot rule. • Property annexation finalized into the jurisdiction of the City of Redmond August 2019. • OMD Readiness Center and Deschutes County Fairgrounds. Partition to create the 20 acre parcel for the OMD Readiness Center and the new lot line to accommodate the County Fairgrounds expansion area (140 acres) submitted August 2019

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		<ul style="list-style-type: none"> • Infrastructure will be funded by the state as authorized by state land board. DSL is currently in process to contract the design, engineering and construction of the infrastructure requirements of the Large Lot Industrial zoning district and the provisions of the Annexation Agreement in cooperation with the Redmond Engineering Department. • Potential nexus with ODOT South Highway 97 Corridor Planning process (Veterans Way to south UGB). • Business Oregon is working with Redmond to hold site readiness discussions later in 2019.
<p>2. DSL property Bend – Stevens Road</p> <p>50 acres – 800 jobs</p>	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<p>3. Power supply for future expansion in Crook County</p> <ul style="list-style-type: none"> • Provide technical assistance and funding to ensure electrical supply is not a barrier to economic development 	<ul style="list-style-type: none"> • City of Prineville • Crook County • EDCO • Business Oregon • Pacific Power • Central Oregon Electric Co-op • ODOE • BPA • Water Resources • Oregon Department of Fish and Wildlife • Ochoco Irrigation District 	<ul style="list-style-type: none"> • ODOE has reviewed alternatives to provide anticipated power needs • BPA has delivered info on most cost effective opportunities i.e. more local production. • Potential Biomass project • Bowman Dam Hydro project

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<p>4. Warm Springs</p> <ul style="list-style-type: none"> • Water system • Sewer system • Landfill 	<ul style="list-style-type: none"> • Business Oregon • Environmental quality • OCF • Federal agencies (BIA, HUD, HIS, EPA, USDA RD) • Rural communities assistance corp. 	<ul style="list-style-type: none"> • Co-convened federal/state funders summits in June and September 2019. • Legislature authorized \$7.8M for water, metering and wastewater systems.
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Encourage Water conservation and restoration. Improve Water Availability

Outcomes:

- Predictable and reliable water for agricultural, municipal and instream needs.
- Prioritize conservation and efficiency opportunities .
- Identify opportunities to create mitigation credits.

	Partners	Milestones
<p>1. Deschutes Basin Irrigation Modernization Project</p> <p>PROJECT GOALS:</p> <ul style="list-style-type: none"> • Identify federal and state funding for irrigation system improvements (piping). • Increase instream winter time flow in the Upper Deschutes • Meet HCP commitments 	<ul style="list-style-type: none"> • Irrigation Districts • Farmers Conservation Alliance • Water Resources • Oregon Watershed Enhancement Board • Environmental Quality • Business Oregon • Fish and Wildlife. • Deschutes River Conservancy 	<ul style="list-style-type: none"> • DEQ reviews environmental reports and funding applications for irrigation system improvements • Business Oregon provided information about state funding programs. • BOR Basin Study • Agencies and Irrigation Districts have met and are exploring options for securing instream flows in the Upper Deschutes River during winter. • OWRD has developed and shared an alternatives memo outlining five different approaches to providing instream flow below Wickiup in the winter.
<p>2. Prineville Aquifer Storage project</p> <ul style="list-style-type: none"> • Store water to be available during low water availability 	<ul style="list-style-type: none"> • City of Prineville • Water Resources Department • Environmental Quality • Business Oregon 	<ul style="list-style-type: none"> • City is testing Aquifer Storage and Recovery; necessary permits have been obtained from OHA and DEQ; permits for drilling test wells have been obtained.

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		<ul style="list-style-type: none"> • DEQ issued and Underground Injection control Permit (late 2018) • City has applied for two limited licenses, pending. LL 1176 is still pending; the other was withdrawn as of April 1, 2019. • City has to collect data from well testing plan to secure limited licenses. • April 2019, OWRD issued the Limited License for Aquifer storage and Recovery (ASR). This allows ASR testing.
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Vibrant Downtown Cores

Outcomes:

- Leverage state resources to support cities in creating a vision, enhancing the economic base in their downtown areas, and supporting entrepreneurs as well as business retention/expansion.
- Create events and marketing so Downtowns become hubs of community life... great places to shop, eat, recreate, and invest

	Partners	Milestones
1. La Pine	<ul style="list-style-type: none"> • Oregon Main Street • Business Oregon • Transportation • COIC • Downtown Ass • City 	<p>La Pine application for ODOT transit funding to begin build-out of La Pine Station downtown. Will connect with recent streetscape and pedestrian improvements along Hwy 97.</p> <p>Joined Oregon Main Street Network at the Associate level.</p>

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<p>2. Madras</p>	<ul style="list-style-type: none"> • Oregon Main Street • Business Oregon • Transportation • COIC • Downtown Ass • City 	<ul style="list-style-type: none"> • Madras Transportation System Plan nearing completion, including Hwy97 corridor components • Funding likely for Jefferson County TSP • Host community meeting to explore joining the Oregon Main Street Network. • Join Oregon Main Street Network at appropriate level.
<p>3. Bend</p>	<ul style="list-style-type: none"> • Oregon Main Street • Business Oregon • Transportation • COIC • Downtown Ass • City 	<ul style="list-style-type: none"> • Empire (US20 from Empire to Greenwood) project will complete multimodal improvements • Bend TSP, Bend MPO RTP, and Regional Transit Master Plan underway • Funding likely for Deschutes County TSP. This plan would address Hwy 20 and could further identify improvements in Tumalo to support growing core • Local transit enhancements proposed for funding through STIF, beginning in 2020. This includes enhancements to Hawthorne Station. • Move to Main Street Track level of the Oregon Main Street Network.
<p>4. Prineville</p>	<ul style="list-style-type: none"> • Oregon Main Street • Business Oregon • Transportation • COIC • Downtown Ass • City 	<ul style="list-style-type: none"> • City recently completed downtown streetscape plan. ODOT HB2017 project will be informed by that plan. • Local transit enhancements proposed for funding through STIF, beginning in 2020 • Host community meeting to explore the appropriate level of joining the Oregon Main Street Network. • Join Oregon Main Street at the appropriate level.
<p>5. Warm Springs</p>	<ul style="list-style-type: none"> • Oregon Main Street • Business Oregon • Transportation • COIC • Tribe 	<ul style="list-style-type: none"> • CORSAC recommended funding for the re-location of the commissary. • Safety corridor project underway which will include a multiuse path to the Museum to enhance safe walking and biking along Hwy 26 and improved connections to residential and business areas. The

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		<p>path will also connect to a future Veteran's Memorial that is planned to be put on the Museum grounds.</p> <ul style="list-style-type: none"> • Deschutes TSP is likely to receive funding and will include close coordination with CTWS regarding ODOT facilities
6. Sisters	<ul style="list-style-type: none"> • Oregon Main Street • City • ODOT • COIC 	<ul style="list-style-type: none"> • Host community meeting to increase awareness of the Main Street Approach®. • Identify appropriate organizational structure to move forward the main street® effort.
7. Redmond	<ul style="list-style-type: none"> • Oregon Main Street • City • ODOT 	<ul style="list-style-type: none"> • Local transit service enhancements proposed for STIF funding (beginning in 2020) • Host community meeting to increase awareness of the Main Street Approach® • Identify appropriate organizational structure to move forward the main street® effort.

Emergency Preparedness/Response

Outcomes:

- State and local governments are prepared in the event of a Cascadia Earthquake
- State and local governments respond in a coordinated and integrated way to emergencies

	Partners	Milestones
1. Regional Emergency Services Training & Coordination Center	<ul style="list-style-type: none"> • COIC • Office of Emergency Management • State Police • Fire Marshall • DEQ 	<ul style="list-style-type: none"> • Local Economic Opportunity Funding (\$50k) from Business Oregon for the planning process • Kick off meeting • Report on scope and needs by Dec 2019

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	<ul style="list-style-type: none"> • ODOT • County and city government 	
2. Integrate RST into local/regional/state emergency preparedness/planning	<ul style="list-style-type: none"> • ODOT • Bend MPO • Deschutes County • City of Bend • Cascades East Transit • ODF 	<ul style="list-style-type: none"> • ODOT and other state agencies recently completed NIMS ICS Training (National Incident Mgmt System / Incident Command Structure) to address how ODOT and agencies would respond to a large emergency (e.g. Cascadia). Another training scheduled for this summer • Deschutes County Intelligent Transportation System (ITS) Plan will improve the safety and efficiency of the transportation system.

Childcare Availability		
Outcomes:		
<ul style="list-style-type: none"> • Childcare is not a barrier to retaining and attracting employees • There is childcare available for those who need it 		
	Partners	Milestones
Central Oregon Childcare Task Force	<ul style="list-style-type: none"> • Bend Chamber • Central Oregon Health Council • Better Together • Early Learning Division • DHS • Childcare providers • Neighbor Impact • Employers • Oregon Community Foundation • OSU – C • COCC 	<ul style="list-style-type: none"> • Secure funding for the Childcare Accelerator position • Pilot project that increases the supply of childcare

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<p>Cross agency workgroup</p>	<ul style="list-style-type: none"> • Early Learning division, Dept of Ed • Land use • Transportation • Business Oregon • Revenue • Building Codes • State Fire Marshall • Mains street program • DHS 	<ul style="list-style-type: none"> • Identify opportunities and barrier to aligning state and local resources to increase the supply of quality early childhood education • Draft a report summarizing the regulatory environment, resources, tax incentives and potential philanthropic partners.
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SUPPORT PRIORITIES

<p><i>Integrate Workforce Training (East Cascades Works Lead)</i></p>		
<p>Outcomes:</p>		
<ul style="list-style-type: none"> • Employers are able to hire skilled workers • Workers receive training that supports continued career advancements • Public workforce training funds are leveraged with other funds to support job growth and reduce under and un employment 		
	<p>Partners</p>	<p>Milestones</p>
<p>1. Warm Spring Commissary Relocation and Renovation PROJECT GOALS:</p> <ul style="list-style-type: none"> • Increase small business mentoring and coaching • Increase space for small businesses 	<ul style="list-style-type: none"> • Warm Springs Tribes • Warm Springs Community Action Team • East Cascades Works • Central Oregon Intergovernmental Council • Business Oregon • Transportation 	<ul style="list-style-type: none"> • Regional Solutions Committee recommended \$250,000 for relocation and renovation of the historic commissary building. • East Cascades Works was awarded a Future Ready Oregon grant; application developed in partnership with Business Oregon. Grant funding (\$325,000) will support training, leasing or purchasing a food truck,

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<ul style="list-style-type: none"> • Increase opportunities for tribal crafts to be marketed • Serve as catalyst for community square 		<p>and vans to provide transportation for workforce training activities.</p> <ul style="list-style-type: none"> • Brownfields assistance for asbestos and lead based paint (\$39,160) • \$12,000 of CTWS allocation of STIF funding reserved for transit hub improvements at Hwy26/Hwy3 in FY21 or beyond
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<p>Enhance Transit in Central Oregon (COIC led)</p>		
<p>Outcomes:</p> <ul style="list-style-type: none"> • Increased access to employment; increased attractiveness of the region by firms considering locating in Central Oregon. • Maintain and improve system performance in core development areas such as, Bend Westside. 		
	<p>Partners</p>	<p>Milestones</p>
<p>1. CET Service Planning & Enhancements</p>	<ul style="list-style-type: none"> • ODOT • COIC • Cities • MPO • Warm Springs tribes • Counties 	<ul style="list-style-type: none"> • CET Regional Transit Master Plan update underway to identify short, mid, and long-term needs and service strategies. Adoption-ready draft anticipated in March 2020. • STIF project implementation, largely beginning in January 2020 • Regional Transit Master Plan anticipated completion Spring 2020. • La Pine Station

<p>Support the Regional Creative Economy</p>		
<p>Outcomes:</p> <ul style="list-style-type: none"> • A thriving creative economy that supports the retention and attraction of employers/employees. • Integrate of state resources in supporting regional arts and culture related events and projects. • 		

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	Partners	Milestones
<p>1. State Support for Regional Creative Economy</p> <p>PROJECT GOAL:</p> <ul style="list-style-type: none"> Leverage state investments to support creative economy. 	<ul style="list-style-type: none"> Business Oregon Housing and Community Services Department of Transportation Department of Land Conservation Oregon Main Street 	<ul style="list-style-type: none"> ODOT secured funding for roundabout arts in Sisters. ODOT and DLCD funded community design discussion in La Pine for downtown revitalization including street scape. Streetscape improvements were constructed in 2018. ODOT recently completed the Tom McCall Roundabout at the intersection of Hwy. 126 and Tom McCall Drive. The City of Prineville has raised \$125,000 in private funds to install large-scale art in the roundabout with RFPs due March 5. ODOT is in the early stages of the Warm Springs Corridor project. It is scoped to include a multiuse path to the Warm Springs Museum and a Vietnam Memorial that will be constructed by the Tribes nearby. ODOT funded a second publication of the Cultural Byways brochure

Outdoor Recreation

Outcomes:

Support the increase in outdoor rec related businesses and events.

Ensure positive visitor experiences

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	Partners	Milestones
<ul style="list-style-type: none"> • Outdoor City USA Support. Scheduled for September 13-15, 2019 based at Mt. Bachelor. 	<ul style="list-style-type: none"> • Business Oregon • Office of Outdoor Recreation • EDCO • ODOT 	<ul style="list-style-type: none"> • First discussions on project and opportunities completed in May 2019. • Gather state financial support/ sponsorship • Business Oregon had a booth
<ul style="list-style-type: none"> • Outdoor products related maker space 	<ul style="list-style-type: none"> • OSU Cascades • Oregon Outdoor Alliance • Bend Outdoor Worx • Office of Outdoor Recreation • OSU Extension 	<ul style="list-style-type: none"> • Initial exploratory meetings (2) • Potential survey of existing businesses and equipment hosts.
<ul style="list-style-type: none"> • Smith Rock State Park – planning for park and parking (TBD) 	<ul style="list-style-type: none"> • Oregon Consensus? 	<ul style="list-style-type: none"> •

Office of the Secretary of State

Bev Clarno
Secretary of State

A. Richard Vial
Deputy Secretary of State



Audits Division

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August 15, 2019

Berri Leslie, Deputy Chief of Staff
Brendan Finn, Interim Regional Solutions Director
Office of Governor Kate Brown
900 Court Street, Suite 254
Salem, OR 97301-4047

Dear Ms. Leslie and Mr. Finn:

In February 2019, the Oregon Secretary of State, Audits Division began a performance audit of the Regional Solutions program in the Office of Governor Kate Brown. The intent was to assess the effectiveness of the program and to evaluate whether it is meeting its mission and goals as laid out in statute.

Our work included interviewing key lawmakers, program staff, state agency team members, advisory committee members, and stakeholders. We also reviewed program reports, work plans and priorities, administrative costs, the process through which projects receive grant funds, and the program's key performance measures. After completing this work, we determined that the risk of the program not meeting its mission was not high enough to warrant the time and expense necessary to complete a full performance audit.

In an effort to foster program improvement, this management letter summarizes some of the risks we found, as well as suggested actions the Governor's Office can take to address them.

Background

Governor John Kitzhaber established the Regional Solutions program in 2011, building on both the Community Solutions program he established and Governor Ted Kulongoski's Economic Revitalization Teams. The program was later codified in law by the Oregon Legislature in 2014 through the passage of HB 4015. The Legislature mandated the Regional Solutions program to work with state agencies, local governments, private businesses, and other organizations "to develop and coordinate regional implementation projects, identify regional priorities for community and economic development, address issues and seize opportunities."

As the name implies, Regional Solutions is broken into 11 regions across the state, mirroring the state's 11 federally recognized economic development districts. Each region has an advisory committee composed of a regional convener, county and city officials, and business and philanthropy representatives, though advisory committees can choose to add additional members. The committees set the community and economic development priorities for the region. Regional Solutions projects are supposed to align with those priorities.

Each region also has a coordinator who assists local communities, businesses, and other organizations in identifying, coordinating, and funding regional economic and community development projects. These regionally based coordinators also head up a team of state agency representatives. At minimum, state law requires these teams to include representatives from five

designated state agencies: the Oregon Department of Transportation, Department of Land Conservation and Development, Department of Environmental Quality, Oregon Housing and Community Services, and Business Oregon. Together with the coordinators, these teams help projects navigate state requirements, such as land-use planning or environmental permits, and can assist projects in identifying potential state, federal, and non-governmental funding sources.

Though Regional Solutions has no dedicated project funding of its own, the program plays a part in reviewing and recommending projects for Regional Infrastructure Funds (RIF), which are administered by Business Oregon. The Legislature created the Regional Infrastructure Fund in 2013 to provide grants and loans for local governments to implement Regional Solutions projects, including long-range planning, research, and design. Project proponents seeking RIF funds submit proposals to Business Oregon, which are then reviewed and scored by the Regional Solutions team for the region in which the project is located. The Regional Solutions advisory committee then determines which projects should be recommended for funding and how much they should receive. Business Oregon's Grant and Loan Review Committee (GLRC) reviews the recommended projects, makes the final determination of which projects to award, and determines how much funding each will receive.

The Legislature authorized \$4 million in RIF funds for the 2017-19 biennium, with each region receiving at least 5%, or \$200,000. For the 2019-21 biennium, House Bill 5030 initially included \$15 million in RIF funds, but that language was removed from the version that eventually passed, so no RIF funds were approved for the current biennium. At this point, it is unclear whether RIF funds will be available during the 2021-23 biennium, though Regional Solutions has indicated restoration of funding will be pursued during a future legislative session.

Potential Opportunities for Improvement

Regional Solutions could benefit from better performance measures and more consistent work plans, though valid measures may be difficult to identify

To know whether a program is meeting its mission, goals, and objectives, those responsible need some way to measure its performance. To do this, state agencies and programs establish and track key performance measures endorsed by the Legislature, as well as other important performance metrics. Currently, Regional Solutions has only one key performance measure: the percentage of program participants that rate the Regional Solutions process as very good or excellent. Most state agencies have a similar key performance measure.

However, our work indicates that this key performance measure does little to reflect the value of Regional Solutions or provide a useful metric by which to measure its performance.

The nature of the Regional Solutions program makes it difficult to identify other useful performance measures. Regional Solutions projects vary considerably both within and across regions. Each project is unique, with different funding sources, state agencies involved, and timelines. For example, a project to build a biofuels refinery will differ greatly from a project to expand broadband access in a rural community. Identifying performance measures that are equally valid for both projects is a challenge.

More traditional economic development measures, such as return on investment or jobs created, might seem like a good way to measure Regional Solutions' performance. However, these measures are better suited for economic development agencies like Business Oregon, which fund projects. While Regional Solutions coordinators and teams help projects identify funding sources, they do

not directly fund projects or make funding decisions; their main role is to help coordinate and shepherd projects through state requirements.

Furthermore, choosing the wrong measure risks giving an inaccurate portrayal of the program's value and goals. Regional Solutions is designed to be flexible, to take advantage of promising economic or community development opportunities in all regions of the state. Adding a performance measure focused on jobs created or return on investment could incentivize the program to pursue only those projects with clear and immediate jobs or investment benefits, which can disadvantage projects serving smaller rural communities. For example, upgrading a small city's water system may not pay immediate dividends in jobs created or business investment, but could be a necessary step that helps support the city's economy and facilitates future economic growth. Using the wrong performance measures could limit the program's flexibility if the measures chosen do not accurately represent the program's stated mission and overall value.

Instead of choosing imperfect performance measures, Regional Solutions could establish milestones specific to each project and track whether projects are meeting those milestones. This would allow the program to measure whether projects are progressing as expected and possibly help coordinators recognize common barriers or bottlenecks. From its unique perspective, Regional Solutions is ideally positioned to track these milestones across the regions, at a systemic level, and thereby identify and address patterns that emerge among these barriers.

To accomplish this, Regional Solutions could better utilize and standardize the coordinators' work plans to track common project elements like milestones. Work plans we reviewed varied significantly across the regions, making it difficult to look for common attributes or barriers across regions. Some work plans appeared to include all projects without always noting which were currently in progress and which were completed. Other work plans segregated projects by those actively being worked on, those with a potential to become Regional Solutions projects, those that have been completed, and those that don't have a clear tie to a state agency, but warrant tracking because of their importance to the region.

- » *We suggest Regional Solutions begin identifying and tracking milestones for each active project on coordinators' work plans. The program could also begin to standardize work plans across regions to promote consistency and better allow for tracking and identifying the barriers preventing projects from meeting milestones.*

Regional Solutions' customer service survey could be improved to provide important feedback on communication and outreach efforts, as well as the program's results

Regional Solutions' only key performance measure, the customer service survey, consistently shows customer satisfaction rates of 90% or more, which is notable. However, given the survey's low response rate — only 10% of 1,700 recipients responded to the last survey — it's unclear how well those satisfaction rates actually reflect the views of those who have worked with the program.

If developed more fully, the survey could provide useful information about whether Regional Solutions is reaching all potential customers. In talking with coordinators and stakeholders across the regions, one consistent theme was the program's ability to provide capacity for smaller cities that cannot afford their own economic development staff. If smaller cities are unaware of Regional Solutions and what the program can offer, they may miss out on important resources to further economic development in their communities. Connecting with these cities could be especially important in rural areas, where economic development is a continual challenge.

Regional Solutions could also ask cities, counties, businesses, and others who have worked with the program about how well the program helped facilitate their projects, and solicit specific examples. The program could also ask customers to identify areas for improvement. One project representative we spoke with noted that, without the program's assistance, their project may not have survived. Expanding the survey could help capture this type of information and allow Regional Solutions to better promote its value to communities throughout the state.

- » *We suggest Regional Solutions improve the customer service survey, which would provide more feedback on the program's outreach efforts and its effects on communities and projects.*

Advisory committees could benefit from more clarity and guidance about their role

Some advisory committee members expressed a good understanding of what they saw as the committees' role and purpose within the Regional Solutions program and the regions' larger economic development efforts. However, other committee members professed uncertainty around the role of the advisory committees and the value they provide. They noted the Regional Solutions teams do the actual work of helping projects navigate state requirements and identify funding options. While the advisory committees may help shape the coordinators' work plans, the coordinators themselves ultimately answer to the Governor's Office. Even within the RIF process, the advisory committees only make recommendations about which projects should be funded — Business Oregon's GLRC makes the final determination.

By providing better guidance and more clarity about the role of advisory committees, Regional Solutions could help the committee members understand how they are expected to contribute and feel more engaged in the process.

- » *We suggest Regional Solutions better articulate the role of the advisory committees and provide more tangible guidance to new and prospective committee members.*

We hope you find value in this management letter. We appreciate the assistance and cooperation of Regional Solutions staff during this review. Should you have any questions, please contact Andrew Love, Audit Manager, or Steve Winn, Principal Auditor at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION



William Garber
Deputy Director

Cc: Senator Betsy Johnson, Co-Chair, Joint Committee on Legislative Audits
Representative Dan Rayfield, Co-Chair, Joint Committee on Legislative Audits