



REGIONAL SOLUTIONS OFFICE
GOVERNOR KATE BROWN

South Coast Umpqua Regional Solutions Advisory Committee
Representing Coos, Curry and Douglas Counties
AGENDA

Thursday, January 16, 2020 <> 8:30 to 10: 30 AM
Coquille County Offices
Room 121, 250 N. Baxter St., Coquille, OR
Call-in option: 541 465-2805 Password: 994530#

- 8:30 AM Welcome/Self-Introductions**
- 8:35 Approve Minutes for June 2019 Meeting**
- 8:40 RS Program Updates**
Leah Horner, Regional Solutions Director
- 9:00 Child Care Expansion Efforts**
Marie Simonds, Wild Rivers Coast Alliance
- 9:20 Jordan Cove Project-State Permitting Update**
Mary Camarata, Dept of Environmental Quality; Heather Wade, Dept of Land Conservation & Development
- 10:00 Recent Team Activities & Project Updates**
- 10:15 Advisory Committee Roundtable**
- 10:25 Public Comment**

Access to Natural Resources, Support of Natural Resource Economy, and Active Forestry Management

Supporting Rural Economies

Supporting the Marine Economy

Business Retention, Expansion, and Creation

- Workforce training
- Regulatory streamlining, technical assistance
- Population retention
- Workforce housing

The meeting 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@oregon.gov (503) 378-6502 or by TTY: Oregon Relay Services at 1-800-735-2900.

MEETING SUMMARY- SOUTH COAST UMPQUA REGIONAL SOLUTIONS ADVISORY COMMITTEE

Meeting Date: June 3, 2019; 1:30 PM

Meeting location: Wild Rivers Coast Alliance, Bandon Dunes Resort, Bandon, OR

Advisory Committee (AC) members present:

Keith Tymchuk *

James Seeley*

Coos County Commissioner John Sweet*

David Kronsteiner*

*Executive Committee members

Regional Solutions Team/Agency Representatives:

Alex Campbell, Coordinator, Governor's Office

Kate Jackson, Department of Environmental Quality (DEQ) (by video conference)

Sean Stevens, Business Oregon

Chris Hunter & Mark Usselman, Oregon Department of Transportation

Annette Shelton-Tideman, Oregon Employment Department

Hui Rodomosky & Josh LeBombard, Dept of Land Conservation & Development (by video conference)

Tim Walters, Oregon Dept of Fish & Wildlife (by video conference)

Guests:

Sam Baugh, South Coast Development Council

Marie Simonds, Wild River Coast Alliance

Michelle Martin, Neighborworks Umpqua (by video conference)

Tracy Loomis, CCD Business Development Corp. (by video conference)

Perry Lynch, Oregon League of Women Voters (by video conference)

1. February 2019 meeting were approved. David Kronsteiner did not remember Alex's statement about discussion of Jordan Cove would not lead to a RS project.
2. Regional Solutions Program updates (Alex Campbell)
 - Hui Rodomosky introduced herself as the new team member for DLCD (coast).
 - Mark Usselman announced his retirement & introduced Chris Hunter.
 - Alex gave a brief update on the Secretary of State performance audit & search for a new RS Director.
3. Adopted Priorities. Alex reviewed the priorities as currently adopted. After discussion, the consensus of the group was to modify the priorities as follows:
 - Access to Natural Resources, Support of Natural Resource Economy, and Active Forestry Management ~~on O & C Timber Lands~~
 - Supporting Rural Economies
 - Supporting the Marine Economy
 - Business Retention, Expansion, and Creation

- Workforce training
- Regulatory streamlining, technical assistance
- Population retention
- Workforce housing
- Enhance Marine, Rail and Telecommunication Infrastructure
- Build on Recreation Economy
- Alternative Energy Development
- Community Disaster Resilience

Through the course of the discussion, several comments were made about the interactions between forestry policy and carbon sequestration/carbon cycle. The AC agreed that it would be useful to have a presentation on that topic, including discussion of the possible role of pyrolysis (in relation to gorse removal, as well).

4. Possible New Team Projects

Alex noted that several projects were recently completed (North River Boats, GMA Garnet). He suggested possibly moving Gorse to completed as well. Jim Seeley and Marie Simonds suggested moving it to an on-going/monitoring activity, as new phases of work were likely. Alex agreed and noted that the Wild Rivers Forest Collaborative project also belonged in that category.

Alex noted that the collaborative aspects of the REEF project were being re-invigorated, and the work plan should also reflect the planned child care incubator. Marie shared work she is doing in conjunction with Bandon schools, with support from several foundations, to explore a shared services model to support multiple new and emerging child care facilities. Alex and Sean said that they wanted to connect Marie with a statewide working group on expanding child care access. John Sweet noted the danger of subsidized child care perhaps drawing customers from and under-cutting market-based models.

John Sweet raised the question of whether and how a Jordan Cove Regional Solutions project could be possible. He expressed some frustration that the recent extension of comment period by DSL would extend/delay the permit time-line unnecessarily. He and David Kronsteiner both reported that they believe the project was “blind-sided” by the number and breadth of questions requested by DEQ as part of the recent 401 permit denial. David noted the Jordan Cove project/Pembina participation in the community and associated funding could help address many of the most difficult issues in the community. He asked how can Regional Solutions mandate to help with regulatory streamlining be applied to this project.

Alex noted that the Governor’s very explicit position of neutrality did put the project in a different and somewhat awkward category, at least in terms of the Advisory Committees position. The AC agreed it would make sense for Keith and Alex to talk to James LeBar about what action or statement would be appropriate.

Alex requested and received approval to work on developing team projects related to a proposed Gold Beach emergency training facility and Coos County’s proposed Riley Ranch land

swap. The Advisory Committee also approved providing a letter of support for the City of Coos Bay's application for TGM funding to support transportation planning in the Front Street/waterfront area. Sean Stevens noted that the possible commercial kitchen component of the REEF project should be called out.

5. Project Reports.

Time was running short, so Alex offered to provide some updates on recent team activities by writing.

6. Advisory Committee & Team Roundtable

Keith reported on his involvement with recent proposals to give DOGAMI a regulatory role in local municipal siting relative to the new tsunami inundation line. He believes that the process is now headed in the right direction and will focus DOGAMI's work on just insuring that appropriate engineering standards are used. Keith also gave a brief summary of the Elliot State Forest work group he is participating on; he is optimistic that a route that can satisfy all the key interests.

John Sweet reported on his participation with the Oregon Coast Trail work being led by Oregon Parks & Recreation Department and AOC. He believes the trail could be a real asset to coast tourism.

Tracy Loomis reported on a recent meeting with possible funders for the REEF project at Southwest Oregon Community College. Unfortunately, the SBDC is losing staff, so collaborative partners are going to team up to support the continued effort.

Hui Rodomsky noted that one piece of the Oregon Coast Trail work that she is helping with is outreach to make sure the trail is accurately reflected in the relevant municipal Comp Plans.

Michelle Martin shared that NWU is very involved in working with the Coos and Curry Housing Action Teams. They are also looking forward to bringing on several AmeriCorps positions to support housing rehabilitation projects in Port Orford, Coos Bay, and Reedsport.

Mark Usselman noted that Matt Garrett's resignation as ODOT Director will go into effect soon. Jim Seeley offered kudos to the regional ODOT team for their active participation with the Gorse Action Group.

Sean Stevens reported that North River Boats has moved into its new building that was supported with an SRF forgivable loan and has begun new hiring and training. ConVey of Roseburg also recently completed all of the requirements of their SRF forgiveness for a similar expansion project. OEDA's summer conference will take place this Friday in Cottage Grove.

7. Public Comment-None

8. Meeting Adjourned at 3.30 PM.

Bev Clarno
Secretary of State

A. Richard Vial
Deputy Secretary of State



Kip R. Memmott, MA, CGAP, CRMA
Director

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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