



**REGIONAL SOLUTIONS OFFICE  
GOVERNOR KATE BROWN**

**Southern Oregon Regional Solutions Advisory Committee**

*Representing Jackson and Josephine Counties*

**AGENDA**

RV Council of Government Offices, 155 N 1st St, Central Point, OR

Friday, November 8, 2019 <> 3 PM

Call-in option: +1 (541) 465-2805, 994530#

- 3:00 PM Welcome/Self-Introductions**  
Bill Thorndike
- 3:05 PM Approve Minutes for February 2019 Meeting**  
Bill Thorndike
- 3:10 PM New Regional Solutions Director, Leah Horner & Audit Results**  
Leah Horner
- 3:20 PM Butte Falls, Community Forest Project**  
Alex Campbell
- 3:50 PM RIF project updates**  
Larry Graves, Josephine County Airports  
Sue Kuppilas, Butte Creek Mill Foundation
- 4:00 PM Team project updates**  
RS Team
- 4:10 PM Advisory Committee Roundtable**
- 4:25 PM Public Comment**

*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 or [Rebekah.Degner@oregon.gov](mailto:Rebekah.Degner@oregon.gov) or by TTY: Oregon Relay Services at 1-800-735-2900.*

## MEETING SUMMARY- SOUTHERN OREGON REGIONAL SOLUTIONS ADVISORY COMMITTEE

June 14, 2019

Rogue Valley Council of Governments

155 N 1st St, Central Point, OR

8:30 A.M.

### Committee members present:

Bill Thorndike, convener\*

Steve Roe\*

Kathy Bryon, Gordon Ellwood Foundation\*

Commissioner Bob Strosser

Councilor Criss Garcia

\*Executive Committee

### Regional Solutions Team:

Alex Campbell, Coordinator, Governor's Office

Marta Tarantsey, Business Oregon

Kate Jackson, Department of Environmental Quality

### Guests:

Greg Perkinson, SOU

Sarah Means, Regional Solutions Coordinator, Southern Willamette Valley

Lyn Henion, SOU Board of Trustees/Oregon Community Foundation

Rob Merriman, SOREDI

Mart Sinclair, League of Women Voters

1. Minutes for February 2019 meeting were approved by assent
2. Regional Solutions Program updates (Alex Campbell)
  - Sarah Means, new coordinator for the "South Valley" (Lane, Linn, Benton) introduced herself.
  - Alex updated on the RS Director search & Secretary of State performance audit.
  - Alex shared a state-wide effort on child care being led by RS. Bill suggested connecting with ProCare and Lyn suggested looking at info from the Children's Institute.
3. Review Adopted Priorities
  - Bill expressed comfort with having a broad range of priorities—provides a "safe place" for long term projects. He saw need for timely action around ag (impact of new crops) and recreational economy.
  - Re "new green economy" Marta noted impact on workforce. Bill reported changes in ag practices due to workforce scarcity. Commissioner Strosser listed a number of concerns, but emphasized that there are some good actors in the industry working with the county.
  - Bill asked if the lack of a sawmill in the area was a barrier to Cross Laminated Timber production. Rob reported that he didn't believe it was.

- Criss reported top two priorities for City of Jacksonville right now are water security and wui/wildfire issues.
  - Bill asked status of Gold Hill. Kate reported that there are funding options and city is working on a facility plan.
  - Kate asked if the AC wanted to add housing as a priority. There was a consensus of the AC that it should be added as a stand-alone, new priority.
  - Alex shared that the Governor’s Office was looking at revising/establishing performance metrics and shared both the current customer satisfaction survey and some examples of additional metrics under consideration.
  - Criss and Greg both emphasized the importance of well-defined objectives as the first step. Criss noted that metrics should have a time component and have a clear binary meet/not meet standard.
  - Bill asked about usefulness of dashboard approaches. Greg suggested design and good visual representation is very important. Less is probably more (3-5 key indicators). Need to focus on needs of the data consumer.
  - Steve noted at Asante they review metrics regularly, regularly revise the metrics, and that the review often/always leads to good discussion. Need quality data.
  - Criss noted diversity, equity, and inclusion goals are very difficult to measure, includes a lot of very personal viewpoints. However, data is clear that diversity improves decision-making. Greg offered that SOU’s new chief of diversity could be an excellent resource.
  - Marta noted that Medford is making very strong efforts around DEI. She believes there is also an opportunity to raise related questions with RIF-recipients.
4. Fire Season Prep
- Alex shared key findings of the Travel Southern Oregon/SOURCE study of visitor perceptions related to fire and smoke in the Rogue Valley.
  - Alex reported on TSO’s effort to establish more air quality monitors in cooperation with industry. Kate noted that one will be co-located with a state monitor to improve understanding of quality & calibration of newer, less expensive technology.
5. Quick Project Updates
- Bill reported he has agreed to serve as co-convenor for the Butte Falls Community Forest Oregon Solutions project. Alex reported that Trust of Public Lands is on board to lead the acquisition side. The OS project will focus on management of the land.
  - Kate reported on the team visit to Cave Junction, discussions focused primarily on drinking water and housing.
  - Kate reported she will offer AC members the opportunity to join a tour of the RRVID “Bradshaw Drop” project when all construction is complete.
  - Kate reported Josephine County is reengaged with Three Rivers School District regarding waste water treatment for No Valley Industrial Park.
  - Kate is also involved in assisting DEQ with community engagement regarding Cleaner Air Oregon review of Roseburg Forest Products plant.
  - Rob Merriman reported that “regional strategy” work is underway. He also reported Project GoGo, though delayed, the company is still committed and has been making site improvements.
  - Marta reported on her work to fund a study by City of Shady Cove to acquire or replace or supplement the privately-owned drinking water system.

- Marta reported the Business Oregon Global Trade team will be visiting the area this month.
  - Alex reported that he and John Vial from Jackson County will be attending a City of Gold Hill Council meeting later in June to discuss county participation in the whitewater project.
6. Advisory Committee Roundtable
- Greg Perkinson (sitting in for President Schott) shared that SOU recently hosted a team from the Higher Education Coordinating Council (HECC) that is working on a state-wide higher ed strategic investment plan. They held 3 focus groups and there was a clear common theme: SOU should build on and expand its focus and expertise around creativity and innovation.
  - Criss suggested that Regional Solutions may want to pick 3-5 items to serve as a focus for the year.
  - Steve reported on Asante's top priorities: talent retention and recruitment (housing and child care are important components to that puzzle); modernization capital campaign is underway; Asante will be having a renewed focus on social issues, such as behavioral health and poverty.
  - Kathy was pleased to note the connections to healthy food availability in the Fry Family project report. She is also interested in understanding what would be the impact on the individual businesses using the facilities.
  - Bill asked what is the status of the legislative consideration of Regional Infrastructure Fund? It is in the capital construction sub-committee of the Joint Ways & Means Committee.
7. Public Comment
- Mary Sinclair noted her appreciation for the discussions of diversity and social determinants of health.
  - Lyn Henion noted that the Children's Museum of Southern Oregon move to the Carnegie building in downtown Medford will provide expanded child care opportunities (the most Pre-School Promise slots in the state) and will be a success for downtown Medford, as well.

*Meeting adjourned at 10.20 AM.*

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



## **Butte Falls Community Owned Forest – Butte Falls, OR**

### Overview

The goal of this project is to develop an innovative approach to City ownership of forest land that will become a model for how rural remote communities in Oregon can use forest land to develop sustainable economies. By purchasing the forest land that surrounds the city the following can occur; active forest management that provides jobs and wildfire resilience, trail and park planning and development as a way to generate a recreation and tourism based economy, educational program expansion for the Butte Falls School District Natural Resource Center and permanent protections for the historic Butte Falls cemetery and Big Butte Creek, which is a cold water fishery for Chinook, coho and steelhead.

Core partners include The Trust for Public Land, City of Butte Falls, the Butte Falls School District, Southern Oregon Railway Historical Society, Southern Oregon Regional Solutions, and Oregon Solutions.

### Key Points

- Butte Falls (population 500) is located in Jackson County, Southern Oregon
- The Trust for Public Land is purchasing 450 acres from Weyerhaeuser, which owns the forested land surrounding the city, and manages and owns 61,897 acres of land in Jackson County, OR
- The Trust for Public Land and the City of Butte Falls will pursue a Federal Community Forest Program grant and intend to match that grant by applying for a state grant (OPRD LWCF Stateside or OPRD Local Government grant) as well as secure private funding.
- An option agreement to purchase the land runs through December 2021
- The project consists of two phases – the land acquisition and the development of a management plan that will incorporate the vision and multiple uses planned for this land including trails, park, historic museum, economic development.
- This project has been designated by the Governor’s office as an official Oregon Solutions Project
- Education - The Butte Falls Natural Resource Center serves as a community space where students, adults, groups, and individuals learn about the geography, history, biological, and recreational opportunities in the region. The addition of 450 acres will create a land lab for the Butte Falls Charter School’s natural resources education program to further their environment education mission.
- Of the 450 acres, approximately 15 acres will be set aside to expand the water bottling facility and provide for additional residential development.