STATE OF OREGON

Economic and Community Development Alignment Plan for State Services

HB2620 (2013)

Office of Governor Kitzhaber,
Intergovernmental and Regional Solutions

The Department of Administrative Services,
Office of the Chief Operating Officer

February 2014

Oregon state government is changing the way it supports community and economic development in local communities. The state is moving from a system where local communities adjust priorities to fit within existing bureaucratic structures to one where state government adjusts its structure to support and address local priorities.

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FORWARD

Nearly 20 years ago, Governor Kitzhaber created the Community Solutions Team, a small, multi-agency team of state leaders that provided community development services to Oregonians. He tasked them to work together – outside of their traditional missions and operational siloes – to complete projects that improved economies and communities across the state. Since that time, the collaborative practice of economic and community development has both endured and matured.

Since 2011, the Governor has appointed more than 100 local government, business and foundation representatives and citizens to 10 advisory committees – each representing a different part of Oregon. The committees worked to craft regional priorities to improve economic and community development. Established in six college settings across Oregon, Regional Solutions Centers brought together staff from five state agencies to address the regional priorities and needs identified by the committees.

Today, the Office of the Chief Operating Officer ("COO") plans and executes statewide projects that improve the way agencies work together as a state enterprise. In coordination with the Governor's Regional Solutions Director, the COO's office has a continuing mission to grapple with, further define, and solve challenges that come with providing Oregonians with efficient and user-friendly economic and community development services.

This enclosed implementation plan is a step toward the larger goal of defining the obstacles that prevent regional priorities from being met and offering solutions to surmounting them – all with a focus on creating a better service experience for the state's regions and industries.

After listening to nearly 2,200 Oregonians, through interactive surveys and five regional meetings, we propose the short term economic and community development alignment scenarios in this report be implemented by state agencies immediately. We also make recommendations for the medium-term implementation and propose several areas for further analysis. These recommendations are key actions that represent real progress in meeting the most frequently identified priorities across Oregon.

Our recommendations come with two key assumptions. First, the scenarios focus on changing service delivery, not policy, in order to better meet regional priorities. Second, in aligning existing resources of state government, the scenarios will not lower regulatory standards or law.

The future of Oregon's prosperity is directly linked to our ability to perceive accurately, and respond effectively, to the opportunities and barriers presented to Oregon communities in the pursuit of well-being and regional sustainability. This plan outlines specific steps we can take now, and in the future, to get better at doing both.

Sincerely,

Michael Jordan, Enterprise Project Sponsor

Matthew Garrett, Enterprise Project Sponsor

EXECUTIVE SUMMARY

Introduction

Oregon state government is changing the way it supports community and economic development in local communities. The state is moving from a system where local communities adjust priorities to fit within existing bureaucratic structures to one where state government adjusts its structure to support and address local priorities. The findings and recommendations in the plan will serve as a springboard for both short- and medium- term alignment work as the state seeks to better serve Oregonians.

HB 2620

HB 2620 directed the Governor, in coordination with the Director of the Oregon Department of Administrative Services ("DAS"), to develop a plan to align state economic and community development programs with regional priorities to present to the 2014 Legislature. A diverse project steering team ensured multiple perspectives from local, regional and state government, as well as two advocacy groups. Natural resource agencies also participated in the project work and will be holding additional discussions in the coming weeks.

Public Engagement

Nearly 2,200 Oregonians participated in an interactive, statewide survey to identify barriers that prevent growth and prosperity on a regional level, and to help envision new ways of delivering services.

Survey Findings

1. At least three in four participants felt the priorities established by the Regional Solutions Committee in their area match their own.
2. A majority of all regions felt the state is effective in helping regions and industries meet their priorities.
3. One in four participants experienced duplication of services.
4. Respondents in the Southern and Eastern regions feet likely to experience service gaps.

The project team analyzed the responses thematically and constructed three alignment scenarios – addressing several key issues that were common across the state.

Regional Meetings

Regional meetings in Bend, Eugene, La Grande, Medford, and Portland provided Oregonians an opportunity to review, rate, and comment on alignment scenarios pertaining to: industrial land site development, flexible funding to seize immediate opportunities, and a common application for site certification.

Regional Meeting Findings

1. Many participants saw community and economic development as a competitive process vis-à-vis other regions and states, and felt a sense of urgency to make sensible reforms.
2. Participants emphasized the importance of the state coordinating its efforts with local authorities and agencies in support of locally-established objectives.
3. Some had concerns that changing rules and processes could undermine existing land-use and environmental regulations.

Overall, participants received all three scenarios positively, appreciating the state's desire to better align its efforts with local objectives and resources and to attract and pursue development opportunities more effectively. The ability to be more flexible and act more quickly and efficiently is important across all regions. Participants would like to see more scenarios which, by region, develop the region's workforce, increase community capacity, develop small businesses more robustly—all while preserving the natural resources that make Oregon's regions livable and enjoyable.

Proposed Recommendations

Short-term proposed recommendations:

- Aligning grant, loan and technical assistance resources for industrial site readiness, from the identification of land through the finalization of development-ready sites.
- In awarding grant, loan, and incentive funds to projects, agencies will consider and prioritize projects that advance regional priorities.
- Create a common application through Business Oregon for that acts as a "one stop shop" for permitting.

Medium-term proposed recommendations:

- Increase staffing for Regional Solutions Centers.
- Identify synergies between workforce re-design efforts and regional priorities.
- Improve communication and integration of state and local Business Services.

Though regulatory streamlining is a theme that permeates the recommendations, no recommendation will lower existing regulatory standards or law. Public input will continue to be central in the next steps of the alignment process.

1. LESSONS AND SUGGESTIONS FROM PAST EFFORTS

In planning the report, the project team considered various economic and community development and state government improvement efforts.

Local – State Relationship Survey, League of Oregon Cities, 2009

In 2009, the League of Oregon Cities Board of Directors created a City-State Relationship Task Force. The Task Force was charged with evaluating barriers and opportunities in local and state government collaboration. The results from the report and survey supports the need for a bottom-up approach and the need for state resources to support regional flexibility.

Through 17 regional meetings and a survey, there were three major issues that arise in the report:

- Generally state statutes, process, and procedures do not reflect the unique identity, resources, and issues of cities and regions.
- Opportunities for local job creation and development projects are perceived as often lost due to the untimely process of permitting between multiple state agencies and departments.
- Many cities noted that the city-state relationship was successful when they were outcome-based and situational. For smaller communities, there was a feeling that "many regulations are designed for urban conditions and land types not present in much of Eastern and Southern Oregon."

The recommendations centered on (1) the state reducing the cost for cities and regions and systemizing and consolidating the permit process for better and faster outcomes, (2) exploring an outcome-based structure to reflect local and regional circumstances into their planning and (3) the need to eliminate structural and relationship impediments to address cities' fiscal crisis for better service delivery and economic development.

Governor's Regulatory Streamlining and Simplification Project, 2012

This report centers on coordinating reform at all levels of government. Major issues of a lack of coordination and overlap between federal, state and local government informed the strategic initiatives. The report outlines five strategic initiatives for better efficiencies gained through reducing duplication and minimizing confusions between state agency procedures and processes.

- Strategic Initiative 1: Adopt a Consistent Management System – In order to manage performance to achieve outcomes described in the 10-year Plan for Oregon, the report recommends a common, measurable, and outcome-based focus for process.
- Strategic Initiative 2: Develop a Unified, 21st Century Information Technology System – The state needs to develop an information technology system that ensures equal access, transparency and engagement through a web-based system. Ideally this would facilitate "one stop" access to all regulatory and permitting functions.
- Strategic Initiative 3: Align the State's Initiatives – The state needs greater coordination and a shared vision between the branches of government and between state agencies.
- Strategic Initiative 4: Assure accountability, Promote Transparency and Embrace Innovations and Incentives – Recognizing that government will be asked to do more with less resources, state government needs to be able to be innovative and manage risk.
- Strategic Initiative 5: Promote and Monitor Select Pilot Projects - Four pilot projects and offer lessons learned on recent coordination activity.

The 2013 Oregon Values and Belief Study

Completed in May 2013 by Davis, Hibbitts & Midghall, Inc. (DHM Research), the 2013 Oregon Values and Belief Survey (OVB) provides a statewide understanding of Oregonians perceptions and expectations about the role of government in economic and community development. DHM Research completed analysis of the data collected for the OVB survey specifically for the HB 2620 project, according to the Regional Solutions regions established by the Governor's Office. These regions will be discussed further later in this report.

The regions are composed of the counties below:

- Central region: Crook, Deschutes, Klamath, Hood River, Jefferson, Sherman, Wasco, Lake County
- Southern region: Coos, Curry, Douglas, Jackson, Josephine County
- Eastern region: Baker, Grant, Gilliam, Harney, Malheur, Morrow, Umatilla, Union, Wallowa, Wheeler County
- Willamette Valley / Northern Coastal region: Benton, Clatsop, Columbia, Lane, Lincoln, Linn, Marion, Polk, Tillamook, Yamhill County
- Metro region: Clackamas, Multnomah, Washington County

<u>State and Community Issues</u>

Oregonians answered open questions about issues they want state and local government officials to respond to, and how they think the state and their community may change over the next ten years. Responses reveal many similarities across regions, but also illustrate the ways in which regions differ from each other. Concerns about unemployment/jobs, education funding, and taxes share a compelling and widespread appeal:

- As something for *state* officials to act on, Oregonians most frequently mention **unemployment/jobs** both statewide and in every region with the exception of the Metro Region which encompasses Multnomah, Washington and Clackamas County.
- **Education funding** is the first, second, or third-ranked issue in every region for state action.
- **Reduce taxes** is the second or third-ranked issue in every region for state action.
- **Increase workforce training**, topped every region's combined "strongly/somewhat desirable" response.
- **Unemployment/jobs, education funding, tax reductions, and education** quality are the top four issues Oregonians would like state officials to address.

Oregonians also support policies to protect natural resources that are critical to the state's quality of life.

Responses suggest that Oregonians do not always distinguish between the roles of local, state, and federal government. The main issue for Oregonians is to address the pressing concerns of daily life, for most that means the economy—all while protecting natural resources. Education funding, infrastructure (especially road repair), and the proper use of tax dollars were also common concerns across all regions.

Some major differences between the regions are:

- *South* - 72% supported increasing workforce training, the next most popular economic development action was increasing timber harvests in dense, overcrowded forest stands (63%).

- *Willamette Valley/North Coast* - After increasing workforce training, residents of this region believed that balancing and communicating about the competing pro-environment and pro-business attitudes in state and local government is important.
- *Metro* - Two-thirds supported increasing workforce training, and only four in ten found it desirable to provide public subsidies or tax breaks to attract new jobs and industries.
- *East* - In combined response, 71% supported increasing workforce training, but residents felt more strongly about increasing timber harvests in dense, overcrowded forest stands (66%) and about reducing government regulation (64%). Eastern Oregon residents differ from the Southern region, Willamette Valley/North Coast region, and Metro region in that 64% felt much stronger about building and communicating a pro-business attitude.
- *Central* - Similar to Eastern Oregon, the Central region had a high percentage who supported increasing workforce training, increasing timber harvests in dense, overcrowded forest stands and favored building and communicating a pro-business attitude over a pro-environment attitude in state and local government.
- *Support for Particular Industries* - Nearly two-thirds of Oregonians in all regions prefer to pursue industrial development by maintaining and improving traditional industries and by attracting new or emerging industries. When asked which traditional industries should be maintained or improved, residents in all regions ranked logging as a top priority.

For the full content analysis for how Oregonians view economic and community development public policy, as determined by the 2013 Oregon Values and Belief Study, please view Appendix A.

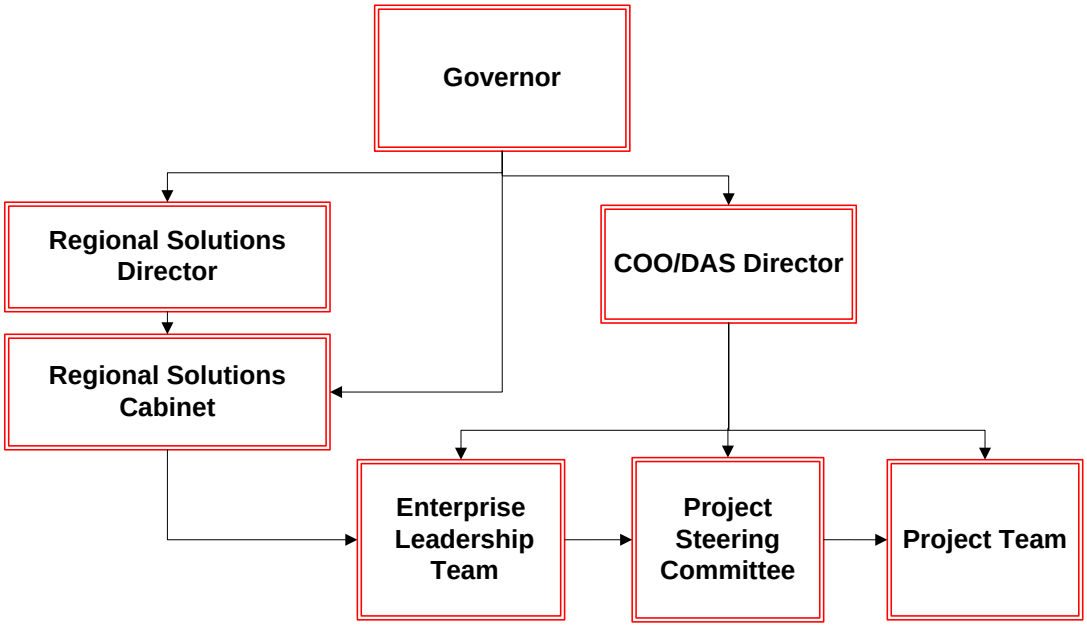
2. PROJECT ARCHITECTURE

The following section will summarize the process that the steering and project teams used to develop findings, draw conclusions, and posit recommendations. The project website may be accessed for all steering team materials, discussion documents, and additional project visuals: http://www.oregon.gov/COO/ELT/Pages/projects/ECDAP.aspx.

Governance

In coordination with the Governor's Office and the Regional Solutions Cabinet, the Office of the Chief Operating Officer and the Department of Transportation developed a project governance structure to oversee development of the implementation plan.

As seen in the figure below, the Governor provided input to the project via the Chief Operating Officer, the Regional Solutions Director and the Regional Solutions Cabinet. As with many enterprise projects using a collaborative governance framework, the Chief Operating Officer delegated authority to the Enterprise Leadership Team (ELT) to form the project steering team. ELT is a collaborative body of agency directors who launch enterprise-wide projects and improve the operations of state government. The project team took direction from the steering team to execute the public engagement work and draft the implementation plan.



Stakeholder Engagement

In September 2013, the Enterprise Leadership Team established the HB2620 steering team in coordination with the Chief Operating Officer. The team set forth the project scope, assigned a project manager, and agreed on the expected outcomes of the project.

Members of the HB2620 steering team represented a cross-section of local, regional, and state leadership and advocacy groups. In all, the steering team comprised 21 participants.

These included representatives from,

- Regional Solutions
- Enterprise Leadership Team and state agencies
- Association of Oregon Counties (AOC)
- League of Oregon Cities (LOC)
- League of Women Voters (LWV)
- Community development, natural resource, and business interest groups

A complete list of project participants can be found on the inside cover page of this document.

The Communications Strategist of the Office of the Chief Operating Officer led the HB2620 steering team in an exercise to define the engagement of a vast array of stakeholders in the project work. The team identified the level of involvement that each category of stakeholder should have through the project work. The various levels of engagement were defined as:

- Inform – keep up-to-date regarding project products and decisions
- Consult – solicit advice and guidance
- Involve – incorporate at key points in the project process
- Collaborate – actively engage participants at all levels in project process

- Empower – integrate all levels of the project process, holds ultimate decision making authority

The project team also created an external, publically-accessible project web site to disseminate project information. Stakeholders, interested advocacy groups, as well as, all participants in the statewide regional survey were encouraged to utilize the web site for up-to-date project information. The project web site may be accessed here: http://www.oregon.gov/COO/ELT/Pages/projects/ECDAP.aspx.

Legislature

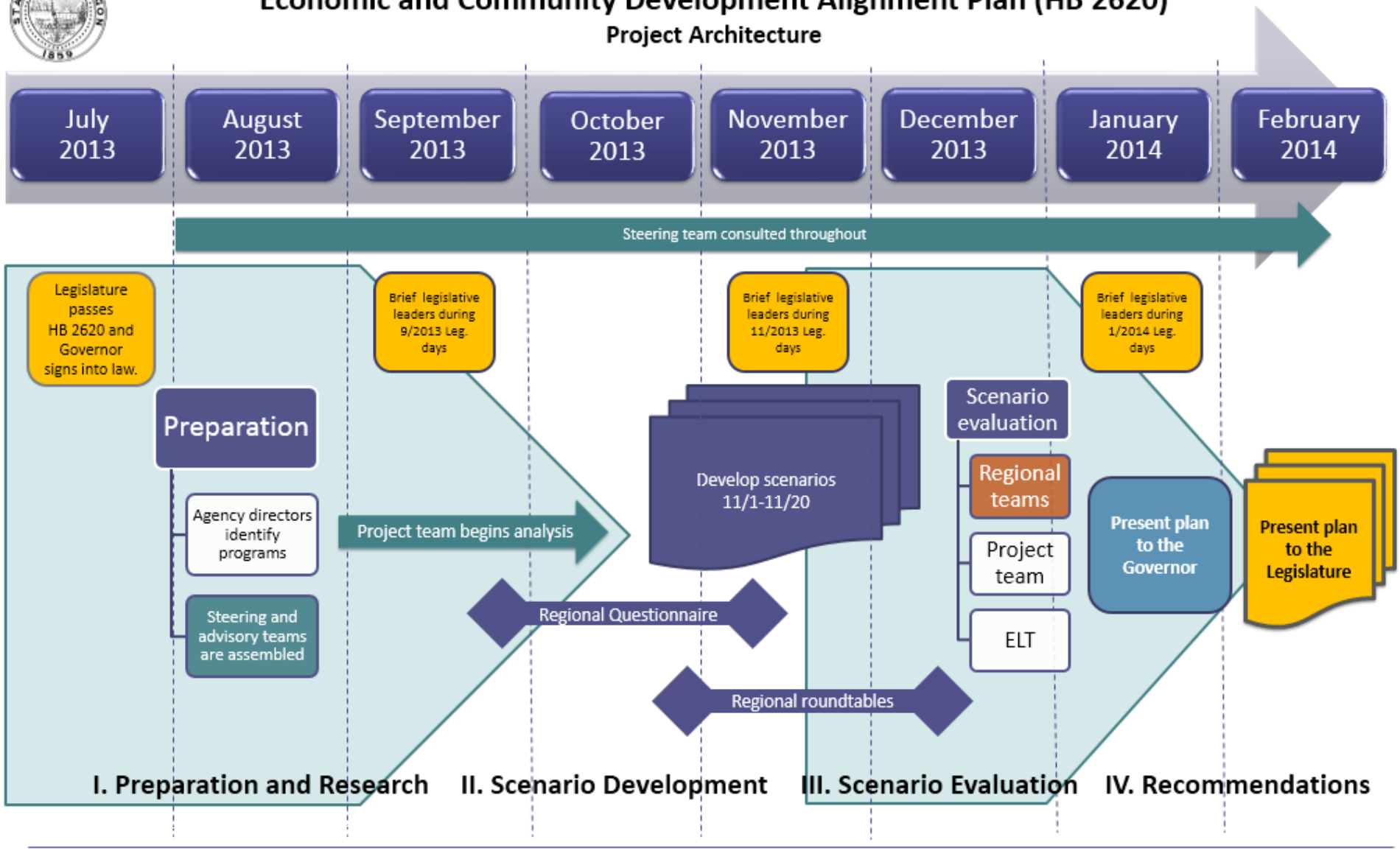
Formally, updates were given to the Senate Committee on Rural Communities and Economic Development on November 20, 2013, the House Rural Communities Committee on January 16, 2014 and the House Task Force on Small Business on January 17, 2014. At various points, interested members of the Legislature were involved and participated in steering team meetings. The Legislative Fiscal Office (LFO) was also sent project updates.

Project Management

Throughout the process, the steering and project teams used project management tools to keep the project running on schedule, on budget, and within the scope of the project charter. The steering team approved the project team's draft proposal for the project architecture in early October. The next page visually summarizes the project timeline and architecture.

Economic and Community Development Alignment Plan (HB 2620)

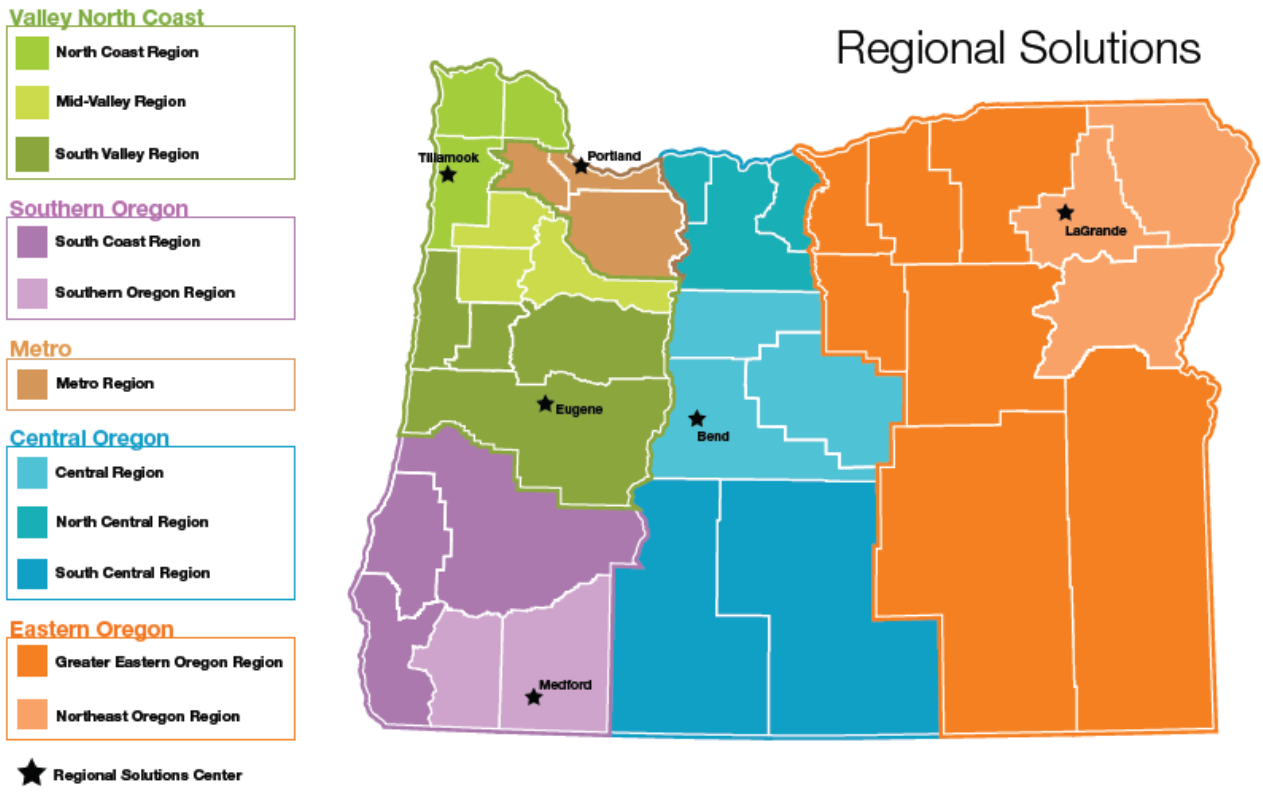
Project Architecture



Regional Solutions Centers

The values and priorities of regional communities served as a platform for alignment efforts. In 2011, Governor Kitzhaber established six Regional Solutions Centers in a local institution of higher education to serve and support the unique economic and community development needs of the different regions of the state. Each Regional Solutions Center is led by a Regional Solutions Coordinator, supported by an Advisory Committee of local stakeholders, and staffed by a Regional Solutions Team comprised of staff from five state agencies. These agencies include:

1. The Department of Environmental Quality
2. The Department of Land Conservation and Development
3. The Department of Transportation
4. The Department of Housing and Community Services
5. Business Development Department (Business Oregon)



The Regional Solutions Regions are aligned with the federally designated Economic Development Districts, both in geographic boundaries and in priorities within those boundaries.

Stakeholder engagement is integrated into the organizational framework of Regional Solutions Centers through a Regional Advisory Committees. These are comprised of local business, nonprofit, elected, and higher education leaders. Regional priorities are set by the Advisory Committees and the priorities are revisited and revised at least annually.

In accordance with the Governor's Regulatory Streamlining and Simplification Project, the 2013 Legislature funded the Governor's proposal to add Regional Solutions Coordinators to existing centers in order to act as an ombudsman for businesses navigating the regulatory process. These staff will continue to work to coordinate all levels of government in reviewing permits that affect economic and community development in Oregon.

Overall, Regional Solutions aims to enhance the quality of community and economic strategies in Oregon by:

1. Designing strategies that vary across the state to meet the different needs and demands of each region.
2. Creating a partnership between local, state, and federal units of government.
3. Leveraging private, public and philanthropic investments to meet the highest priority community and economic development needs.

For a complete list of latest economic and community development priorities and more information on the Governor's Regional Solutions Centers, please visit the Regional Solutions web site: http://regionalsolutions.oregon.gov.

3. PROJECT RESEARCH: STATEWIDE SURVEY

The steering and project team used the bulk of the $200,000 General Fund appropriation to HB2620 (2013) to conduct extensive public engagement about how Oregonians experience state economic and community development programs. Four core, open-ended questions about service improvement shaped the project team's approach to public engagement:

1. How are economic and community development services currently experienced and aligned with the needs of regional communities?
2. What duplication exists between state agencies?
3. What fragmentation exists between state agencies?
4. What alignment changes can be made to create a better experience for Oregonians and lead to their long-term prosperity?

The goal of these questions was to provide a foundation for understanding how agencies could better meet regional priorities.

To learn how Oregonians were experiencing state programs, the steering and project team hired Davis, Hibbitts & Midghall, Inc. (DHM Research) to design and deliver a web-based survey. The survey was both open-ended and interactive. For example, respondents were asked to enter their zip code whereupon the regional priorities associated with their location were displayed. Then, respondents were asked if the priorities matched their own sense of community or industry needs. Finally, participants were asked to explain their answer.

Between October 2 and 21, 2013, DHM Research hosted an online survey, nearly 2,000 Oregonians responded to the survey through Metro Opt-In Panel and Oregon's Kitchen Table Project. The Metro Opt-In Panel is an online participation tool that functions as a space for public input into various questions related to the work Metro does in the region. The Kitchen Table Project is a statewide survey tool that gives Oregonians an opportunity to weigh in on public policy issues. Respondents included

elected officials, local development managers, business leaders and citizens. They identified redundant processes and communication gaps and offered suggestions for improvement.

Overview of Statewide Survey Findings

Panelists from Opt-In and Kitchen Table were invited to share their opinions, what they liked, what they would change or add, and what they would eliminate, regarding the delivery of state services. The steering and project teams also promoted the survey through the Regional Solutions Members, the HB2620 Steering Team, stakeholder groups, and the project website. Invitations were also sent to economic development districts, local and regional managers and elected officials, as well as small business leaders across Oregon.

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1. How aware are you about efforts of state agencies in your region or industry to deliver community and economic development services?

	Central (N=78)	Eastern (N=56)	Metro (N=1,352)	Southern (N=135)	Valley (N=300)	Total
Very aware	42%	39%	13%	28%	33%	19%
Somewhat aware	41%	52%	43%	36%	42%	43%
Not too aware	10%	7%	32%	29%	21%	29%
Not at all aware	6%	2%	11%	7%	5%	9%

Overall, a majority of respondents in all regions were aware (very or somewhat) about efforts of state agencies to deliver community and economic development services. Awareness was highest in Eastern (91%) and Central (83%) regions and was lowest in Metro (56%).

2. Describe the source(s) of your awareness.

Common sources include Business Oregon, print media, through employment, and through civic involvement.

"Local newspaper, local TV news, and volunteer involvement that intersects with some state agencies"

"Communications from Business Oregon staff and the agency's partners."

"I work for a City, am on a statewide board and work with state agencies in my work."

3. Have you partnered with a state agency in an economic or community development project in the past two years?

	Central (N=78)	Eastern (N=56)	Metro (N=1,352)	Southern (N=135)	Valley (N=300)	Total
Yes	50%	54%	12%	31%	36%	20%
No	50%	46%	88%	69%	64%	80%

Respondents from Eastern (53%) and Central (50%) regions were most likely to have partnered with a state agency in the past two years. The lowest percentage of partnership occurred with respondents from the Metro region (13%).

4. During the project, did you or others involved have to repeat similar processes or duplicate your efforts? An example of duplication is filling out two forms for two different state agencies with the same information.

	Central (N=39*)	Eastern (N=30*)	Metro (N=169)	Southern (N=42*)	Valley (N=108)	Total
Yes	23%	23%	25%	31%	23%	25%
No	77%	77%	75%	69%	77%	75%

** Caution: small sample size*

Of those who have partnered with a state agency, roughly one in four experienced duplication in process or efforts. Duplication was fairly consistent across all regions, a total of 25%.

5. At any point during the project, was there a service gap between what you needed and what you received, or was your experience fragmented or disjointed?

	Central (N=39*)	Eastern (N=30*)	Metro (N=169)	Southern (N=42*)	Valley (N=108)	Total
Yes	26%	43%	34%	48%	34%	36%
No	74%	57%	66%	52%	66%	64%

** Caution: small sample size*

Respondents in the Southern (48%) and Eastern (43%) regions were most likely to experience service gaps. Lowest experience in services gaps were seen in the Central region (26%).

6. How responsive and cooperative were the state agencies you dealt with in helping your local community or your industry to meet its priorities?

	Central (N=39*)	Eastern (N=30*)	Metro (N=169)	Southern (N=42*)	Valley (N=108)	Total
Very	59%	33%	52%	40%	56%	51%
Somewhat	33%	63%	37%	43%	37%	39%
Not vey	3%	0%	10%	14%	5%	7%
Not at all	5%	3%	1%	2%	3%	2%

** Caution: small sample size*

Almost all felt the agencies were very or somewhat responsive and cooperative in helping them meet their priorities. The majority of Central (59%), Valley (56%) and Metro (52%) regions felt their partners were very responsive and cooperative.

7. How effectively do you feel the state helps regions and industries meet their economic and community development priorities?

	Central (N=78)	Eastern (N=56)	Metro (N=1,352)	Southern (N=135)	Valley (N=300)	Total
Very effective	10%	2%	3%	5%	5%	4%
Somewhat effective	58%	54%	55%	41%	60%	54%
Not too effective	23%	43%	34%	42%	33%	35%
Not at all effective	9%	2%	8%	11%	2%	7%

A majority of all regions, with the exception of the Southern region felt that the state was at least somewhat effective in helping regions and industries meet their economic and community development priorities. Respondents in Central (68%) and Valley (65%) regions were most likely to feel the state was effective.

8. Oregon has created Regional Solutions Committees throughout the state to advance the integration and alignment process. Based on the zip code you entered when you signed up, here are the priorities established by the Regional Solutions Committee in your area. How well do these priorities match with your own sense of the needs of your community or industry?

	Central (N=78)	Eastern (N=56)	Metro (N=1,352)	Southern (N=135)	Valley (N=300)	Total
Match very well	33%	36%	18%	35%	26%	22%
Match somewhat well	58%	50%	53%	49%	47%	52%
Do not match very well	6%	14%	23%	15%	22%	21%
Do not match at all	3%	0%	5%	1%	6%	5%

At least three in four from each region feel the priorities established by their Regional Solutions Committee match their own sense of community or industry needs. Those from Central (91%), Eastern (85%), and Southern (84%) regions were most likely to agree their priorities align.

9. Occupation

	Central (N=78)	Eastern (N=56)	Metro (N=1,352)	Southern (N=135)	Valley (N=300)	Total
Citizen with no direct relationship with a government agency or advocacy group	32%	25%	55%	46%	31%	49%
Industry professional/Business owner	17%	7%	15%	14%	12%	14%
Service provider	18%	20%	7%	9%	11%	8%
Public administrator or manager	13%	23%	5%	8%	17%	8%
Appointed official	5%	2%	2%	8%	5%	3%
Elected official	8%	11%	1%	4%	8%	3%
Professional Advocate/Lobbyist	1%	2%	2%	2%	4%	3%
Other occupation	33%	29%	28%	39%	36%	31%

4. DRAFT SCENARIO DESIGN

Armed with this information, the project team convened a group of subject matter experts to offer their own suggestions for improvement to the identified barriers, review the survey results and comments. They were also charged with identifying specific changes that could lead to greater alignment and

coordination, less duplication of efforts and improved outcomes. With DHM Research facilitating, the team generated numerous alignment ideas through written exercises and large group discussion.

The major issues identified were coordination of existing funding sources, a lack of community capacity, difficulty in identifying needs and solutions, and public unawareness of programs. Ideas to resolve the major issues included proposals for the state to:

1. Be more flexible in the use of resources, more nimble in response, and able to act more quickly.
2. Provide a one-stop shopping experience for grants and loans to achieve better communication within state agencies and between the state and those it serves, greater clarity on needs, and better service.
3. Market state programs better.
4. Bonding authority to assist smaller communities with big infrastructure needs.
5. Increase workforce development, especially in high-tech fields.

For more detail on the issues, key ideas to resolve issues, and elaboration on programs, needs, and ideas, please see Appendix B.

Review of Regional Priorities

In order to focus on the areas where alignment is most needed, the steering team reviewed the priorities identified in all regional solutions regions across the state. Two priorities were common among all regions:

1. Ensuring that adequate land and infrastructure is available to retain and attract employers
2. Providing Business Services, including business retention, expansion and recruitment; incubation, entrepreneurship, access to capital

Workforce training was also a dominant priority across many regions. The role of workforce training in economic and community development is the subject of Recommendation 5. The importance of regulatory streamlining is also a theme that permeates many of the priorities.

There were three additional second tier priorities common in five to six regions:

1. Preserving Forest Health and Biomass
2. Supporting Regional Agriculture
3. Water availability

The steering team recommended that this report primarily focus on realignment opportunities related to the most prevalent regional priorities across the state. For the second tier priorities, a series of conversations and small group discussions were facilitated to gather input on realignment opportunities. In these discussions, the project team identified that the policy work at the statewide level is geared towards addressing these issues. Thus, the identification of these issues as regional priorities serves to support the statewide policy work. It also provides a conduit for sharing information and an opportunity to leverage resources for specific implementation projects.

A complete list of the regional priorities can be found at the Regional Solutions web site (http://regionalsolutions.oregon.gov) and is included in the Appendix C.

The steering and project team then refined the ideas developed by the subject-matter experts and created alignment scenarios for the top regional priorities across the state. The steering team agreed on three *draft* scenarios to share with the public at a series of regional meetings.

The *draft* scenarios were:

1. Industrial Land Site Development
2. Flexible Funding to Seize Immediate Opportunities
3. Common Application for Site Certification

The same team of subject-matter experts participated in a consensus-building survey to share their opinions about the draft scenarios. Respondents were asked to describe the level of difficulty in implementing each draft scenario and how the alignment would better serve clients and communities. They were also asked what needs to happen in order to actualize the alignment.

5. SCENARIO EVALUATION: REGIONAL MEETINGS

In December 2013, DHM Research facilitated large group discussions for the project team in five different regions across the state to receive feedback and direction on draft scenarios related to economic and community development. The discussions were held in:

- Portland on December 5, 2013
- Medford on December 10, 2013
- La Grande on December 12, 2013
- Bend on December 16, 2013
- Eugene on December 18, 2013

All of the participants in the statewide survey, over 2,000, were invited to the regional meetings. The steering and project team conducted additional outreach to local and regional economic and community development cooperations, private industry, federal partners, elected officials, and advocacy groups. Respondents reviewed, rated, and commented on three draft scenarios.

One-hundred forty-nine (149) people attended the sessions, including 87 government or elected officials, 51 who recorded their occupation as non-profit or "other," and six from the private sector (Table 1).

Table 1: Attendance

	Portland-Metro	Medford-Southern	La Grande-Eastern	Bend-Central	Eugene-Valley	TOTAL
Govt or Elected Official	21	9	11	21	25	87
Business or Private Sector	1	2	2	1	0	6
Nonprofit or Other	18	3	9	11	10	51
Total*	43	14	22	33	37	149

*Some did not indicate their role in the community

Overview of Regional Meeting Findings

Respondents received all three draft scenarios positively, appreciating the state's desire to better align its efforts with local objectives and resources, and to attract and pursue development opportunities more effectively. The ability to be more flexible and act more quickly and efficiently was important to all groups. Many respondents saw community and economic development as a competitive process vis-à-vis other regions and states, and felt a strong sense of urgency to make sensible reforms. On the other hand, some also warned against speeding processes up in ways that put other values at risk or led to poor decisions. Respondents recognized that private, for-profit interests can, by their very nature, move faster than public agencies and nonprofit organizations. Others were concerned that trying to keep up with the pace of business might undermine other priorities—especially those related to the environment—that make Oregon a special place to live.

The number of participants who thought a given scenario would benefit their organization or community were very similar for all three (Table 2). Of the 149 participants, 115 (77%) felt Scenario 1 would be beneficial, 117 (79%) felt Scenario 2 would be beneficial, and 111 (74%) felt Scenario 3 would be beneficial. Percentage results were relatively similar among regions, especially for Scenario 1. The Eastern region stood out for looking more favorably upon Scenarios 2 and 3, while the Southern region displayed a relatively lower regard for Scenario 3.

Table 2: Scenario Would Be Beneficial

Region	# Participants	Scenario 1		Scenario 2		Scenario 3	
Central	33	25	76%	27	82%	22	67%
Eastern	22	19	86%	20	91%	20	91%
Metro	43	31	72%	31	72%	33	77%
Southern	14	11	79%	10	71%	8	57%
Valley	37	29	78%	29	78%	28	76%
Total	**149**	**115**	**77%**	**117**	**79%**	**111**	**74%**

In terms of priorities among the three scenarios, participants rated 1 and 2 almost identically, but showed less interest in 3 (Table 3). Forty-eight participants (32%) rated each of the first two scenarios as the top priority, compared to 26 (17%) who rated Scenario 3 as the top priority. Here, too, results among regions were consistent, except that Southern participants preferred Scenarios 2 and 3 (each 43%), rating 1 the lowest (14%). Taken in combination with the result in Table 2, where just 57% of Southern participants felt Scenario 3 would be beneficial, it appears that those in Southern Oregon who liked 3 felt strongly about it.

Table 3: Top Priority Scenario

Region	# Participants	Scenario 1		Scenario 2		Scenario 3	
Central	33	12	36%	12	36%	5	15%
Eastern	22	8	36%	6	27%	3	14%
Metro	43	14	33%	13	30%	7	16%
Southern	14	2	14%	6	43%	6	43%

Valley	37	12	32%	11	30%	5	14%
Total	**149**	**48**	**32%**	**48**	**32%**	**26**	**17%**

Respondents appreciated the state's alignment efforts, but thought more alignment work needs to be done. In particular, the project team heard many requests for scenarios focused on small businesses and workforce development. *"There are industrial sites available and the answer is in small business development first, which is not affected (as much) by industrial land site development,"* said an Eastern participant. One of the business participants said that his company's *"future expansion will be out of state. This will be due to lack of available employee base."* Many participants emphasized the need for better education and training resources in their final comments.

A summary of statewide results for each scenario follows. Two major threads ran in common throughout discussions of all the scenarios:

- Concern that changing rules and processes will undermine existing land-use and environmental regulations, putting those values at risk.
- Emphasis on the importance of the state coordinating its efforts with local authorities and agencies in support of locally-established objectives.

Summary by Draft Scenario

Draft Scenario 1: Industrial Land Site Development

What?	Align grant and loan resources for industrial site development, from identification of land through the finalization of development-ready sites.
Why?	Alignment ensures better agency coordination of resources, increases efficiency overall development process for customers, and yields a better understanding of the return on investment over time.
How?	The alignment will be completed using existing resources within agencies.
Where?	The preliminary sequence of resource alignment is as follows: • The Oregon Department of Land Conservation and Development has the existing capacity to plan funding, identify land and technical assistance to complete economic opportunity analysis. • The Infrastructure Finance Authority currently awards infrastructure planning grants and resources for public infrastructure extension. These are often required for an industrial site to be deemed development ready. • The Oregon Department of Transportation awards transportation planning grants, which are sometimes necessary to rezone land. • Business Oregon provides site certification, including for brownfield expansion and redevelopment.

48 of 149 participants **(32%)** rated Draft Scenario 1 as the top realignment proposal. **115 (77%)** said it would benefit them or their community. Overall, participants were split between 1 and 2 as the top scenario, which showed very similar results.

	Draft Scenario 1											
	Portland-Metro		Medford-Southern		La Grande-Eastern		Bend-Central		Eugene-Valley		TOTAL	
Top Scenario	14	33%	2	14%	8	36%	12	36%	12	32%	48	32%
Beneficial Scenario	31	72%	11	79%	19	86%	25	76%	29	78%	115	77%

Comments in support of Draft Scenario 1 pointed to benefits such as "shovel-ready" industrial sites, faster review and permitting processes, and better alignment with local needs and objectives.

> *"Would provide more certainty to businesses looking for sites. Would enhance attractiveness of local areas to potential new businesses. Would improve the process and make it easier for interested parties to pursue grant funding opportunities that would result in economic development activities."* – Metro

Concerns about Draft Scenario 1 often centered on the risk of undermining environmental and land use regulations:

> *"If done properly with no shortcuts on environmental standards. We strongly support the opportunity to develop new industries but not at the expense of the livability of the region."* - Valley

Some expressed reservations that agencies in their region were already well-coordinated and working well together, or that the scenario did not go far enough in aligning state and local efforts or providing the resources that would be needed to be successful:

> *"Any alignment of funding with local needs is better than now. But this does not go far enough - need to align state laws and processes with local needs too. Examples include small rural cities that are not in compliance with DEQ for their water or sewer systems."* - Eastern

Local issues of various kinds were important to participants in considering this scenario. We often heard about the importance of the state working closely with locally-established goals. Several remarked on the state's tendency to impose its land use priorities on local areas top-down, and felt this should change. Many also pointed to implementation issues, often relating to weaknesses in local capacity and resources.

> *"Important to ultimately be a local decision with local leadership."* - Valley

> "*Local capacity to manage the process at the local level needs technical resources and funding that may not be incorporated in current agency regulatory parameters."* - Eastern

There were a variety of additional concerns about Draft Scenario 1, including the concern that rural communities outside of major roadways may be at a disadvantage, and that it might be difficult to implement without increased funding and a change of culture.

Draft Scenario 2: Flexible Funding to Seize Immediate Opportunities

What?	Create a flexible funding account using existing funding that can be deployed immediately to seize opportunities, similar to the Immediate Opportunity Fund operated by Business Oregon and the Oregon Department of Transportation.
Why?	To respond quickly to community and economic development opportunities, in accordance with regional priorities.
How?	Flexible funding can be allotted from existing resources and funding.
Where?	The governance structure and housing of the fund has not been determined by the Steering Team.

48 of 149 participants identified Draft Scenario 2 as the top realignment proposal. **117** said it would benefit them or their community.

	Draft Scenario 2											
	Portland-Metro		Medford-Southern		La Grande-Eastern		Bend-Central		Eugene-Valley		TOTAL	
Top Scenario	13	30%	6	43%	6	27%	12	36%	11	30%	48	32%
Beneficial Scenario	31	72%	10	71%	20	91%	27	82%	29	78%	117	79%

Support for the scenario came from those who felt it would provide needed speed and flexibility in taking advantage of opportunities.

> "*Having strategic and flexible grant dollars for business development projects is a crucial piece to doing economic development effectively and quickly. . . . Need to be able to navigate and move at the 'speed of business."* – Valley

> "*It would be a huge benefit to break out of grant cycles and have funding available as needed without having to wait for the competitive process. With clear criteria, communities and regions can better plan financially for projects.*" - Central

> *"Funding infrastructure and other enhancements quickly are some of the largest challenges local governments face when projects are time critical*." - Eastern

"Where will the money come from?" was the overriding concern about Draft Scenario 2. Participants asked this question in many ways and with many nuances, trying to ensure good decisions in the face of limited resources for unlimited needs.

> *"This is a challenging concept: holding money aside for limited opportunity needs while perhaps not fully funding ongoing or chronic needs."* - Valley

The explicit tradeoff between legitimate funding needs implied by this scenario raised corollary questions about who would make decisions and how to avoid a politicized process. Participants repeatedly stressed the importance of good processes, clear criteria, local involvement, and accountability—especially in light of the scenario's financial component and associated risks of abuse.

> *"Only if the process is not politically driven. Need to have qualifying criteria so communities better understand how projects are selected for funding."* – Valley

Smaller communities felt they might be at a disadvantage in that much-needed funding for local projects could be diverted to priorities determined by larger communities or interests, and that smaller communities would be less likely to win flexible funding grants.

> *"What does opportunity mean? How will you make sure rural areas aren't politically disadvantaged?"* - Valley

Participants were also concerned that expediting processes and moving too quickly in the evaluation process local needs could lead to poor decisions.

> *"Speed is not so much a priority as thoughtful planning. There seems to be a danger here that these funds would be more likely to be wasted or used less efficiently if 'expedited.'"* - Southern

Draft Scenario 3: Common Application for Site Certification

What?	Create a common application for site certification that acts as a "one stop shop" for permitting, using an expedited project review process.
Why?	Creates certainty in process; decisions could be guaranteed for approval within certain time frames (e.g., 180 days).
How?	To prevent dilution of regulatory obligation, criteria could be established. For example, the project cannot be exempt from land use planning goals, must contribute to economic growth of the region, must acknowledge local land use goals, and must follow environmental requirements. The common application could be developed using existing funding and resources.
Where?	The governance structure has not been determined by the Steering Team.

26 of 149 participants rated Draft Scenario 3 as the top realignment proposal. **111** said it would benefit them or their community. This was the least popular scenario of the three.

Draft Scenario 3					
Portland-Metro	Medford-Southern	La Grande-Eastern	Bend-Central	Eugene-Valley	TOTAL

Top Scenario	7	16%	6	43%	3	14%	5	15%	5	14%	26	17%
Beneficial Scenario	33	77%	8	57%	20	91%	22	67%	28	76%	111	74%

Participants liked the idea of a simplified application process but expressed many reservations about whether that could reasonably be achieved. Some wondered whether implementation was practicable given the differences—often fundamental—between projects, and the frequent need for accompanying federal permits. Participants foresaw significant challenges in the coordination of policies and staffing, and deeper culture changes that would be necessary to implement the scenario successfully.

> *"Probably the most useful of the 3 scenarios; also, probably the hardest. Will require very strong leadership from regulatory agency directors. Line workers need to view their role as helping people get through the process and comply with all regulations - not putting up road blocks. It can be done, but again - need culture change."* – Eastern

Some suggested as an alternative that the state could help coordinate the permit process and provide guidance through checklists, timelines, and designated personnel, without trying making promises to do things more quickly.

> *"The concept for one stop shop would be a good starting place to organize the process and identify the permits needed. I don't think expediting the permit process is always a good thing. Permits are there for a reason and can't always be moved faster."* - Valley

As with the other scenarios, the desire to speed up processes raised concerns, and a perceived *"bias for approval"* in the "Why?" section of the scenario also raised hackles. Participants feared that state and local priorities would be overridden in the rush to approval.

> *"Coordination with both local land use officials and environmental regulators is key. Not sure how the certainty will be achieved with local land use problems."* - Metro

Also similarly to the other scenarios, there were concerns about how well the scenario coordinated with local objectives.

> *"I just don't see the benefit to a rural area that is not counting on certified sites to accomplish our local goals - goals that have to do with economic gardening and tourism."* - Valley

6. CONCLUSIONS

Overall, the steering team achieved consensus on the following conclusions about the public's description of their experience with state government economic and community development services and reaction to the draft scenarios. The conclusions will form the foundation for the recommendations in the next section.

1. *Since the data show that a high majority of existing regional priorities across all regions match "very well" or "somewhat well" those priorities held by respondents, we can generalize that the priorities established by the Regional Solutions Advisory Committees have relevance and validity.* This

conclusion comes with the caveat that research suffers from self-selection bias, as respondents were not randomly chosen, but decided whether or not to participate in the research. Other research methods, such as a randomized controlled trial were considered, but rejected, given the short timeline for public engagement and the lack of resources to conduct such a trial.

2. *Inasmuch as the data show that Regional Solutions Teams and Centers are perceived as effective by respondents across all regions, we can infer that past regional projects have had positive impacts across the state in the area of community and economic development*. Though regional projects are unique and highly complex in nature, successful projects contain examples replicable collaboration and resource-sharing between agencies.

3. *Considering that the data show that a majority of all regions support the draft scenarios developed by the steering and project team, we can conclude that respondents support the implementation of the draft scenarios*.
    - While some respondents are skeptical that the obstacles can be overcome by agencies, the steering team believes that scaling up past successes of Regional Solutions Teams and adapting the lessons learned is a first step to overcoming the skepticism.
    - Though some respondents have differing preferences over how quickly the alignment scenarios are implemented, the steering team finds urgency in beginning to apply the principles agreed upon, with the hope that it will form the basis for future agreement.
    - Whereas some respondents would like to see additional scenarios that propose more extensive and expansive alignment of state services, the steering team concludes that the scenarios are first steps – or a "1.0" effort – in a multistep alignment process.

7. RECOMMENDATIONS

Based on the research and conclusions, the recommendations section will outline the proposed scenarios that the state needs to implement to better align with regional priorities. While forming the recommendations, the steering and project team acknowledged that some issues can be addressed immediately while others need more planning. The framework below helps explain why the proposed scenarios were chosen for short and medium term implementation and why others warrant further analysis.

Implementation complexity	High complexity, Low impact	High complexity, High impact
	Low complexity, Low impact	Low complexity, High impact

	Degree of positive impact on the state enterprise

Short Term

The HB2620 steering team recommends implementing the modified versions of the draft scenarios that Oregonians validated in the five regional meetings. The short-term recommendations can be implemented immediately through internal agency rule changes and inter-agency collaboration. In the spirit of the Governor's Regulatory Streamlining and Simplification Project (2012), the steering team affirms the benefits of regulatory streamlining—all while working within existing regulations and law—in order to deliver services more effectively.

Recommendation 1:

Proposed Scenario 1: Industrial Land Site Development

What?	Align grant and loan resources for industrial site readiness, from the identification of land through the finalization of development-ready sites; provide technical assistance throughout the readiness process.
Why?	Statewide alignment ensures better agency coordination of resources, increases efficiency overall development process for customers, and yields a better understanding of the return on investment over time. Industrial land is one of the state's most valuable resources in terms of net contributions to the state's economy and tax base. The traded sector firms that locate on industrial land are an engine of expansion, spurring growth in the service sector and paying family wages to a broad spectrum of workers. The capacity at the local government level to do this kind of work has been greatly reduced during the economic downturn.
How?	The alignment process should mirror the successful Regional Solutions industrial lands project completed in the Portland-Metro region. First, an inventory of industrial lands needs to be completed and priority sites should be identified in alignment with regional priorities. Then, a coordination strategy could be developed for each site, depending on the necessary permits. This will facilitate the one-stop approach at priority sites, without removing away the application and approval process from the responsible agencies.

The steering team recommends implementing Proposed Scenario 1, with several modifications from how it was presented in the regional meetings. In the regional meetings, the project team repeatedly heard a concern for a lack of local capacity and knowledge gaps between various stages in the readiness process. In response to what the project team heard in the regional meetings, the steering team recommends that agencies also provide technical assistance, when necessary, to resolve resource fragmentation and gaps where local capacity is low.

Implementing this scenarios is an exercise in scaling up past, successful agency collaboration in the Portland-Metro region to the other regions in the state. For more information, please see the project

description of the Metro Industrial Land Readiness Project in the Regional Solutions Milestone report: http://regionalsolutions.oregon.gov.

Implementation complexity	High complexity, Low impact	High complexity, High impact
	Low complexity, Low impact	**Low complexity,** **High impact**
	Degree of positive impact on the state enterprise	

Recommendation 2:

Proposed Scenario 2: Use Regional Priorities as Criteria in Awarding Existing Grant, Loan and Incentive Programs

What?	In awarding existing grant, loan, and incentive funds, the following economic and community development agencies will use regional priorities in the consideration and prioritization of projects: • Department of Environment Quality • Department of Land Conservation and Development • Department of Transportation • Housing and Community Services Development • Oregon Business Development Department These agencies will also work to align the timeframes and processes for applying for grants and loans. Natural Resource agencies will develop individual plans specifying how they will be involved in regional solutions teams and continue to align their programs to meet regional priorities.
Why?	To better leverage the state's resources to more effectively respond to community and economic development opportunities across Oregon.
How?	The consideration and prioritizing of regional priorities will use existing resources and funding; they will not supersede existing grant criteria established by state and federal law.

Compared to a similar scenario presented at the regional meetings, Proposed Scenario 2 is a less complex but nonetheless a high impact method of achieving a parallel end. The Steering Team recommends that agencies integrate regional priorities as criteria in awarding statewide grant, loan, and incentive programs in order to achieve priorities. The integration of criteria into existing processes creates, for agencies, the opportunity to examine how well they are currently meeting regional priorities and how they can do so more effectively moving forward.

Natural resource agencies are critical partners in the work of state service alignment. To be effective participants in Regional Solutions Teams, as HB2620 (2013) indicates, these agencies should develop individual plans specifying how they will be involved and continue to align their programs to meet regional priorities. The Water Resource Department has already completed one such draft plan. It can be found in Appendix D.

Implementation complexity	High complexity, Low impact	High complexity, High impact
	Low complexity, Low impact	**Low complexity,** **High impact**
	Degree of positive impact on the state enterprise	

<u>Recommendation 3:</u>

Proposed Scenario 3: Permits for coordination and Common Application process

What?	Each Regional Solutions Advisory Committee establishes regional priorities. In response, each Regional Solutions Team project list is based on those regional priorities. The Regional Solutions Teams should compile a list of permits and approvals needed by all local, state, and federal governments for team projects. The list of state requirements, including the process architecture (e.g. grant cycle timing, limitations, etc.) should be provided to the applicant and to each agency to ensure transparency and clarity regarding priorities. The 2013 Legislature funded the Governor's proposal to add Regional Solutions Coordinators to existing centers in order to act as an ombudsmen for businesses navigating the regulatory process.

Why?	Streamlining and integrating permitting and approval processes helps create certainty in the permitting process for clients and communities—all without lowering regulatory standards.
How?	This work will be carried out by the Regional solutions Coordinators and Teams. In a later iteration of economic and community development state service alignment, a common application or one-stop permitting hub could be developed.

Proposed Scenario 3 fits into the "low complexity, high impact" quadrant of the matrix. In response to the survey outreach and regional meetings the project team held, the steering team recommends developing a list of permits that could be integrated into a common application. Business Oregon already has a common application for industrial site certification and clients are guaranteed certainty of an outcome within a given timeframe. The State of Washington is a model for such a common application: http://www.dol.wa.gov.

High complexity, Low impact	**High complexity,** **High impact**
Low complexity, Low impact	Low complexity, High impact
Degree of positive impact on the state enterprise	

Medium Term

Medium term alignments are more complex or require more time and research than allotted than the space between the end of the 2013 Session and the beginning of the 2014 Session.

Recommendation 4:

Increase staffing for Regional Solutions Centers

What?	Regional Solutions Coordinators should complete local capacity analysis between February 2014 and the 2015 Legislative Session to ascertain the extent of each region's capacity needs. Since exact community need varies by region, the analysis should identify what resources are need to

	complement existing capacity and explain how increased utilization will affect current and proposed projects.
Why?	As explained in Proposed Scenario 1, in the regional meetings, the project team repeatedly heard a concern for a lack of local capacity. Additional capacity would allow the Regional Solutions Teams to begin to coordinate all levels of government beyond permitting, in order to continue to meet regional priorities.
How?	The steering team recommends that the Regional Advisory Committees put forward their capacity needs to the Governor for integration into the Governor's 2015-2017 Recommended Budget.

In response to the statewide outreach, Recommendation 4 suggests that the specific needs of additional capacity be identified and catalogued. This information can be used by Regional Solutions Advisory Committees to propose needs for increased staffing in the Governor's 2015-2017 Recommended Budget.

Implementation complexity	High complexity, Low impact	**High complexity,** **High impact**
	Low complexity, Low impact	Low complexity, High impact
	Degree of positive impact on the state enterprise	

<u>Recommendation 5:</u>

Identify synergies between existing state redesign projects

What?	Identify how economic and community development alignment work can interact strategically with the Workforce System Redesign led by the Governor's Workforce Policy Advisor.
Why?	The need for workforce development was a theme that permeated the regional meetings. Given that participants felt that economic and community development includes workforce development as a regional priority, the steering team believes that workforce development can be more strategic in regions if these priorities are considered in the redesign process.

How?	The primary objective of the redesign is to create better alignment between the programs that receive workforce funding. The steering team recommends that regional priorities are considered at key junctures and that a Regional Solutions Coordinator or Advisory Committee Member is involved in projects that emerge within the redesign effort.

Recommendation 5 is highly complex and has a high impact on Oregon's regions. The synergies that might exist between alignment efforts and statewide projects are not self-evident. However local understanding of barriers and opportunities is critical during the identification process. The steering team recognizes that the engagement of the public is important throughout this process.

Implementation complexity	High complexity, Low impact	**High complexity,** **High impact**
	Low complexity, Low impact	Low complexity, High impact
	Degree of positive impact on the state enterprise	

<u>Recommendation 6:</u>

Inform regions about existing statewide Business Services

What?	State and local agencies offer a range of Business Services, from Business Oregon's common application for industrial site development to the Secretary of State's one-stop for business licensing and permitting. Regional Solutions Teams should explore ways of raising awareness about these resources, given the information gap that the public engagement revealed. At this time, the intention is not to supplant or change existing programs, but address general underutilization caused by a lack of awareness.
Why?	Many Oregonians wishing to start a traded-sector business are unaware of existing state and local services, or have insufficient knowledge of them to access the resources they need to be successful. Closing the information gap is a first step to overcoming barriers to business development and also create a better understanding of what emerging economies and communities need to flourish.

How?	Regional Solutions Teams can coordinate this work in the medium term. In the long term, additional capacity may be needed to accommodate the increased utilization of state resources.

Recommendation 6 is highly complex and has a growing, high impact on Oregon's regions.

Implementation complexity	High complexity, Low impact	**High complexity,** **High impact**
	Low complexity, Low impact	Low complexity, High impact
	Degree of positive impact on the state enterprise	

APPENDIX A

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October 21, 2013

To: Nathan Rix
Re: Economic and Community Development Alignment Plan – OVB Survey Results
From: Adam Davis, DHM Research

This memo reports on issues from the 2013 Oregon Values and Beliefs (OVB) study that are likely to be of particular interest to DAS in efforts to develop the Economic and Community Development Alignment Plan. The main body of the memo provides a narrative overview of relevant questions, results, and observations from the survey. In addition we have included attachments as follows:

Appendix A: Relevant excerpts from the questionnaire with annotations of statewide and regional results.

Appendix B-E: Charts and tables providing ranked results by region to facilitate more focused analysis.

We believe this information will make a valuable contribution to DAS's alignment planning by presenting the views of not only community leaders and economic development interests, but also of the general citizenry. Community and economic development touch the average resident in many ways—from building or renovating a house to starting a small business—and we anticipate that it will prove useful to the state to check in with all of its citizens about their needs, values, and concerns.

OVB Study – Background and Methodology

The OVB research consists of two basic tracks—the first a scientifically designed and statistically representative random survey, and the second a public involvement process conducted through Oregon's Kitchen Table (www.oregonskitchentable.org). Results reported in this document stem from the scientific track, which consists of three statewide surveys conducted in April and May 2013. Collectively the surveys asked 198 questions of randomly selected Oregonians ages 18 and older. Final sample sizes were 3,971 respondents for Survey #1, 1,958 for Survey #2, and 1,865 for Survey #3. Track 1 employed telephone (landline and cell) and online interviewing to mitigate the disadvantages of a single collection medium. Enough interviews were completed in five geographic regions (Central, Eastern, Portland Metro, Southern, and Willamette Valley) to permit statistically reliable analysis at the regional level.

Because the OVB study's five regions do not correspond exactly to those used by DAS, we have created a new set of cross-tables for this report based on DAS's distribution of counties into five master regions.[1] If DAS is interested in a finer level of detail, DHM Research could also provide data on all eleven of DAS's regions by drawing on the results from Track 2 in conjunction with Track 1. This additional reporting would require a new set of cross-tables and analysis.

[1] Results reported here will therefore not match those reported about the OVB study in other venues.

The OVB research design used quotas and statistical weighting based on the U.S. Census to ensure representativeness within regions by age, gender, and income. The regions were then weighted proportionally by population per the U.S. Census to yield statewide results. More information about the OVB survey and results is available at www.oregonvaluesproject.org.

State and Community Issues — Open-ended Views

Oregonians answered open questions about issues they want state and local government officials to do something about, and about the ways they think the state and their community might change over the next ten years. Responses reveal many similarities across regions, but also illustrate the ways in which regions differ from each other.

Concerns about unemployment/jobs, education funding, and taxes share a compelling and widespread appeal:

- As something for *state* officials to act on, Oregonians most frequently mention **unemployment/jobs** both statewide and in every region except Metro. The top issue for Metro residents is **education funding**.
- The same pattern holds for what residents want *local* officials to do something about, with education funding again at the top of the Metro area list.
- **Education funding** is the first, second, or third-ranked issue in every region for state action.
- **Reduce taxes** is the second or third-ranked issue in every region for state action.

Verbatim responses suggest that people don't always distinguish the roles of local and state (and sometimes federal) government in thinking about what they want officials to do. The main thing is to address the pressing concerns of daily life—and for most that means attending to the economy. "Loosen restrictions on timber so the people can get back to work," said a resident in the South. "I've got an associate's degree and I can't get any work," said a person in the Willamette Valley/North Coast region, while another resident of the region worried that "young people don't have jobs around here." A resident in the East urged "Job creation! With family wage jobs not minimum wage that you can't afford to raise a family on!"

Education funding, infrastructure (especially road repair), and the proper use of tax dollars were also common concerns in the comments section. "Stabilize funding for schools, mental health, and higher education through eliminating the kicker and establishing more reliable funding sources outside of property taxes," said a Metro resident. Another person in the region said to "start fixing the infrastructure of our area like sidewalks, pot holes, and street lights. Put all new projects on hold until the past ones are taken care of." "I want them to stay focused on education," said a resident in the East. "Control taxes and spending," said a Central Oregonian.

But state and local concerns are not all the same. Regions show significant similarities when speaking to what they want state officials to address. Unemployment/jobs, education funding, tax reductions, and education quality are the top four issues mentioned statewide and in the South, Willamette Valley/North Coast, and Metro regions. In the East, the economy/economic growth displaces education quality as the fourth-rated concern, while in the Central region both economy/economic growth and gun issues come ahead of education quality.

When asking about local action items we find more variation. Unemployment/jobs stays at the top of most regional lists, but other issues creep in with more particularity—e.g., drug usage and addiction in the South, road infrastructure in Metro, the Willamette Valley/North Coast, and Central Oregon, and crime/public safety in the South and East. Taxes, government spending, and public leadership lurk just below unemployment/jobs and other top concerns as important local issues.

Appendix B presents tables with rankings by region to facilitate closer analysis of preferences for state and local action in different locations.

Future State and Local Prospects — Open-ended Views

Asked whether they think Oregon will be a better or worse place to live in 10 years, residents give very similar assessments in all regions except the East. In most regions, a quarter or more think the state will become a better place; just over four in ten think it will stay about the same, and a quarter or slightly less are pessimistic. In the East, optimism is less than half as frequent, and more than a third of residents think the state is going downhill (Table 1).

Table 1
When you think about Oregon ten years from now, do you think it will be a better place to live, about the same as it is today, or worse than today?

	Statewide	South	WillV/NCoast	Metro	East	Central
Better place	27%	25%	25%	29%	11%	28%
About the same	44%	42%	44%	43%	47%	47%
Worse place	23%	25%	25%	22%	37%	18%
Don't know	6%	8%	6%	6%	5%	7%

Source: DHM Research 2013

Those who think Oregon will be a better place in ten years most frequently cite environmental awareness—the top reason given in all regions except Central, where it places second behind stronger economics. The view that more environmental awareness makes for a better place to live corresponds to the scenic and outdoor values that Oregonians widely share, regardless of region, and which they repeatedly cite—in OVB and other studies—as what they most value about living in the state. "Oregon encompasses all the facets that the future will find essential—fresh Pacific air supply, abundant natural, fertile, and growth areas for human productivity," remarked a resident in the South. Many people noted that Oregon's good environmental choices would help lift the state down the road. "Environmentally friendly and eco-consciousness now will pay off in the future," said a person in Central Oregon, while a resident of the East felt the state would improve "by holding firm on environmental and growth rules and promoting the healthy lifestyle and outdoor treasures."

Other top reasons for the state to be a better place in ten years are stronger economics, making progress generally, and a better education system—in other words, improvement in the areas that residents view as most important for state leaders to do something about. "The resurgence of the economy will allow Oregon to improve its fiscal situation while Oregon's community values will ensure that this economic growth remains sustainable," said a resident of the Willamette Valley/North Coast region.

Reasons given for why the state may be a worse place to live in ten years vary more by region. Overpopulation is the top concern in Willamette Valley/North Coast, and the second highest concern in the South and Metro regions. The South's top reason for pessimism is drug usage/addiction—a validation of one the key issues they want local officials to address. Poor government leadership is the top reason for pessimism in the Metro and East regions, while the top issue in Central Oregon is the prevalence of liberal values. Throughout regions, concerns about unemployment and the economy, taxes, and government rank high.

Survey participants also addressed where they thought their local communities were headed in ten years. Total response is almost identical to the question about the state's direction, and regional responses also show significant consistency. In the East, residents are still not as optimistic as their peers in other locations, but they show less pessimism about the prospects of their communities than they do about the state as a whole (Table 2).

Table 2
When you think about your community ten years from now, do you think it will be a better place to live, about the same as it is today, or worse than today?

	Statewide	South	WillV/NCoast	Metro	East	Central
Better place	27%	22%	25%	30%	14%	28%
About the same	45%	44%	49%	42%	53%	40%
Worse place	23%	26%	21%	22%	29%	21%
Don't know	5%	7%	4%	5%	4%	10%

Source: DHM Research 2013

Residents most frequently cite making progress generally and community caring and involvement as reasons for better communities, along with business and economic improvements. Reasons for pessimism typically include crime (especially in the South and Metro regions), unemployment and economic concerns, and overpopulation (especially in Willamette Valley/North Coast, Metro, and Central regions).

Government Services — Priorities and Values

We asked respondents to rate twenty public services as very important, somewhat important, neutral, very important, and very unimportant. The question made clear that calling a service very or somewhat important implied willingness to raise new taxes or reallocate existing funds to support that service.

Three services stand out as "very important" statewide. All regions put the same three at the top of their lists, in the same order. At the top, **K-12 education services** alone earn more than 50% very important response in every region: from 57% in Metro to 60% in the South. **Public safety** and **protection of water and air quality** rank second and third, ranging respectively from 45% (Metro) to 54% (South) and from 39% (East) to 46% (Central).

Following these three services about which people feel especially strongly, ten more earn "very important" response ranging from 27% to 33% statewide. Of these, three again stand out for consistently earning higher levels of combined "very" and "somewhat" important response

across regions: **road and highway maintenance, public facility infrastructure,** and **community colleges**. For these three services, "very important" response ranges from 26% to 37% and combined "very" and "somewhat" important response ranges from 65% to 74%. Of the three, community colleges are relatively less important in the Metro region than other areas of the state. **Emergency disaster preparedness**, **protection of productive farm and forest land from development,** and **the justice system/courts/jails** also place consistently higher on the list of important government services.

As a general rule, higher "very important" ratings translate to higher combined ratings, and vice versa. Two services notably break this mold: (i) As a divisive issue about which people feel strongly, **publicly funded health insurance for all citizens** earns relatively higher "very important" ratings in most regions (31% statewide); but a significantly lower "somewhat important" (and higher "very unimportant") response contributes to lower combined results than other services with similar "very important" results (53% statewide). On the flip side, **vocational and technical training** has relatively low "very important" response in most regions (22% statewide), but its high "somewhat important" response leads to a higher combined result (61%).

The twenty services tested have varying degrees of relationship to economic development issues. Education, public safety, environmental quality, roads, a healthy citizenry—these values create the conditions for a vibrant economy. But some services on the list relate more directly to economic development. Focusing on what communities want in the way of services that will support the economy, it's fair to say the following:

- **Education is the top priority.** K-12 rates highest, but community colleges, 4-year universities, and vocational and technical training/retraining all place strongly, especially when looking at combined importance. Community colleges in particular place as one of the top ten priorities in every region.
- **Infrastructure matters.** Residents want their roads, highways, water and sewer systems to be maintained. These issues rank consistently high across regions. But Oregonians do not see new roads and highways as a priority. New roads and highways rank as one of the two bottom priorities in all regions based on "very important" response, and similarly for combined response in the South, Willamette Valley/North Coast, and Metro regions. In the East and Central regions they are fifth from the bottom in combined response.
- **Environmental quality matters.** Protection of air and water quality and protection of farm and forest land from development rank very high on the list.
- **Economic development in the form of subsidies and tax breaks is not very important.** This item competes with roads and highways as the lowest priority of twenty. As with new roads, opinion is slightly more positive in the East and Central regions, where subsidies and tax breaks rise to fourth from the bottom in "very important" response.

Refer to Appendix C for charts showing statewide and regional results for all twenty services.

Economic Growth vs. the Environment

The survey asked residents to choose between two statements testing feelings about economic growth and the environment:

A. Economic growth should be given priority even if the environment suffers to some extent; or
B. Protection of the environment should be given more priority even at the risk of slowing economic growth.

Statewide, and in all regions except the East, response on the side of the environment outweighs response on the side of economic growth (Table 3). And, except in the East and Central regions, the pro-environmental response was a healthy majority.

Table 3
Economic Growth vs. Protection of the Environment

	Statewide	South	Will. Vall./ N Coast	Metro	East	Central
Econ. Growth – Feel strongly	13%	15%	13%	10%	20%	19%
Econ. Growth – Lean Towards	22%	21%	23%	20%	29%	26%
Protect Environ. – Feel Strongly	28%	28%	29%	30%	15%	25%
Protect Environ. – Lean Towards	29%	27%	27%	32%	26%	24%
DK	8%	9%	9%	7%	9%	6%
Economic Growth – Total	35%	36%	36%	30%	49%	45%
Protect Environment –Total	57%	55%	56%	62%	41%	49%

Source: DHM Research 2013

Economic Development Actions

The survey included two sets of five questions each asking respondents to rate the desirability of possible government actions to foster economic growth. The question formats of the two sets were the same, except the first set had no financial implications, whereas the second stated that support for an action implied willingness to increase or reallocate taxes to pay for the action. Keeping in mind that the financial implications may dampen support for actions in the second set compared to the first, it is useful to look at all ten actions together. In references below, we identify questions from the second set with dollar signs ($$) to indicate the corresponding financial component. Table 4 presents the statewide results.

Table 4
Desirability of Ten Economic Development Actions (Statewide results)

	Strongly desirable	Smwt desirable	Neutral	Smwt undesirable	Strongly undesirable	DK
Increase workforce training ($$)	24%	45%	21%	4%	2%	3%
Build/communicate pro-environment attitude in government	29%	31%	21%	10%	6%	2%
Build/communicate pro-business attitude in government	22%	34%	27%	10%	4%	3%
Increase timber harvests in dense/ overcrowded forest stands	22%	31%	21%	12%	7%	6%
Provide public subsidies/tax breaks for new jobs/industries ($$)	12%	35%	27%	13%	8%	4%
Reduce government regulations	19%	23%	25%	17%	11%	4%
Reduce business taxes ($$)	14%	21%	25%	21%	14%	4%
Expand air service throughout Oregon ($$)	10%	25%	39%	9%	4%	11%
Provide publicly funded venture capital for start-ups ($$)	6%	26%	31%	18%	13%	5%
Revamp land use laws to permit more development	7%	16%	22%	26%	24%	4%

Source: DHM Research 2013

This part of the survey reveals striking agreement relating to **increase workforce training,** which tops every region's combined "strongly/somewhat desirable" response with between 67% and 72% support. We also find consistency in the widespread lack of support for **revamp land use laws to permit more development** (desirable to only a quarter of the population in every region except the East, where combined support rises to four in ten) and **provide publicly funded venture capital for start-ups ($$)** (combined support about a third or less across regions). There are also high levels of neutrality and/or uncertainty about an action to **expand air service throughout Oregon ($$)**.

We may also note as a general point that the regions do not regard the ostensibly opposed actions to **build and communicate a pro-environment attitude in state and local government** and to **build and communicate a pro-business attitude in state and local government** as mutually exclusive. Combined support for these two actions exceeds 100% in every region, showing that the same people must be saying both attitudes are desirable. This finding is consistent with other results in the survey that show Oregonians value both the economy and the environment, and do not think of them as an either-or choice. And indeed the support for building pro-business and pro-environment attitudes is generally well-balanced across regions, though with some predictable variations.

Beyond these general observations we begin to find significant variations in levels of support for economic development actions, and it is best to consider the regions independently. The charts in Appendix D illustrate the regional results discussed below.

South

After 72% combined support for **increase workforce training ($$),** the next most popular economic development action in the South is **increase timber harvests in dense, overcrowded forest stands,** with combined support of 63%. This action also earns the most strong support (34% compared to 26% for workforce training). Building and communicating **a pro-environment attitude** and **a pro-business attitude in state and local government** are almost evenly balanced, with a modest preference for the former (26% strong/62% combined vs. 24% strong/55% combined). From this point desirability decreases gradually for **reduce government regulations** (23% strong/55% combined) and **provide public subsidies or tax breaks to attract new jobs and industries ($$)** (20% strong/53% combined)—both of which, however, still earn combined majority support. Fewer than half support an action to **reduce business taxes ($$)** (18% strong/47% combined).

Willamette Valley/North Coast

After **increase workforce training ($$)** (24% strong/70% combined desirability), residents of this region balance the competing visions to **build and communicate pro-environment** and **pro-business attitudes** in state and local government. Like their peers in the South, the scale tips in favor of pro-environment values, especially when it comes to strong feeling (31% vs. 19% strong desirability, 61% vs. 56% combined). **Increase timber harvests in dense, overcrowded forest stands** ranks fourth (20% strong/53% combined). In combined response, **provide public subsidies or tax breaks to attract new jobs and industries ($$)** comes next (47%), but strong support is very weak at only 8%. Only four in ten feel it is desirable to **reduce government regulations**, and fewer support **public funding for startups ($$)** or **reducing business taxes ($$)**. (At 37% combined support, however, the idea to **provide public funding for startups ($$)** does better in this region than elsewhere.)

Metro

Results for Metro closely resemble those for the Willamette Valley and North Coast. Two-thirds support **increase workforce training ($$)** (21% strong/67% combined), followed by the desires to **build and communicate a pro-environment attitude** (30% strong/64% combined) and **a pro-business attitude** (21% strong/52% combined) in state and local government. **Increase timber harvests** comes fourth, with just under 50% combined support (16% strong/48% combined). Only four in ten find it desirable to **provide public subsidies or tax breaks to attract new jobs and industries ($$)**, with weak "strongly desirable" response (10% strong/41% combined). **Reduce government regulations** and **reduce business taxes ($$)** meet with only about one-third combined approval.

East

In combined response, **increase workforce training ($$)** tops the list in the East (30% strong/71% combined), but residents feel more strongly about **increasing timber harvests in dense, overcrowded forest stands** (46% strong/66% combined) and about **reducing government regulation ($$)** (39% strong/64% combined). Although strong feeling is relatively consistent, East residents differ from their peers in the South, Willamette Valley/North Coast, and Metro in showing a much higher combined preference to **build and communicate a pro-business attitude** (31% strong/64% combined) over **a pro-environment attitude** (28% strong/47% combined) **in state and local government.** More than half of people in the area think it desirable to **provide public subsidies or tax breaks to attract new jobs and**

industries ($$) (17% strong/55% combined) and to **reduce business taxes ($$)** (27% strong/54% combined).

Central

Like the East, residents of the Central region turn in highest combined results for **increase workforce training ($$)** (24% strong/67% combined), but feel most strongly about an action to **increase timber harvests in dense, overcrowded forest stands** (33% strong/64% combined). Also like the East, they favor building and communicating **a pro-business attitude** over **a pro-environment attitude in state and local government,** but by much less of a margin (28% strong/59% combined vs. 25% strong/55% combined). Fifty-three percent support **public subsidies or tax breaks to attract new jobs and industries ($$)** (with comparatively weak strong support at 14%), and half think it desirable to **reduce government regulations** (28% strong/50% combined). Just over one-third support an action to **reduce business taxes ($$)** (19% strong/36% combined).

Support for Particular Industries

Nearly two-thirds of Oregonians in all regions prefer to pursue industrial development by maintaining and improving traditional industries **and** by attracting new or emerging industries. Slightly more than one in ten would prefer to focus on new or emerging industries, with from 5% to 10% opting for traditional industries. Another one in ten would de-emphasize industrial development as an economic goal. Results are largely consistent across regions (Table 5).

Table 5
Preferences for Industrial Development

	Total	South	Will Vall/ N Coast	Metro	East	Central
Maintain and improve traditional industries	6%	7%	5%	6%	10%	5%
Attract new or emerging industries	12%	13%	13%	12%	10%	9%
Both	65%	63%	65%	66%	65%	66%
De-emphasize industrial development as an economic goal	9%	12%	9%	7%	12%	11%
Don't know	8%	6%	9%	8%	3%	9%

Source: DHM Research 2013

Asked in an open question which traditional industries should be maintained or improved, residents in all regions easily put **logging/timber** at the top. Support ranges from 27% in Metro to 49% and 50% in the East and South. The Willamette Valley/North Coast and Central regions are also high at 39% and 45% respectively.

Agriculture comes second, ranging from 18% to 24%, and **fishing/fisheries** is third with 10%-12% support. In the Metro region, **technology** earns 14%, just ahead of fishing/fisheries at 10%. About one in ten Oregonians mention manufacturing (7%-10% in all regions), and, in the East, 9% mention **energy/energy production**. **Technology** and **forestry** earn from 4%

to 9%. **Tourism** rounds out this middle tier with 5%-7%. Appendix E presents tables with regional rankings of traditional and emerging industries

Technology dominates responses for which emerging industries Oregon should try to attract, with support ranging from 21% and 22% in the East and South to 27% in the Willamette Valley/North Coast region, 30% in Metro, and 32% in Central Oregon. **Solar energy** and various other forms of clean, green, or alternative energy tend to come next on the regional lists. See Appendix E for details.

APPENDIX A
2013 OREGON VALUES AND BELIEFS SURVEY EXCERPTS
DAS ECONOMIC AND COMMUNITY DEVELOPMENT ALIGNMENT PLAN

S1Q4 What is the most important issue that you want your local government officials to do something about? (Open)

Response Category	Total	South	W Vall/ N Coast	Metro	Eastern	Central
Unemployment/jobs	11%	13%	11%	10%	10%	14%
Education funding	8%	4%	6%	11%	4%	3%
Taxes	7%	6%	7%	8%	4%	7%
Government spending/ wasteful spending	7%	5%	8%	7%	4%	8%
Road infrastructure	6%	1%	6%	8%	4%	8%
Crime/public safety	6%	9%	7%	4%	8%	3%
Education-general	4%	2%	4%	6%	2%	2%
Economy/economic growth	4%	6%	4%	2%	5%	6%
Poverty/homeless	3%	5%	3%	4%	1%	1%
Quality of education	3%	3%	2%	4%	4%	3%
Government leadership/ corruption	3%	2%	3%	3%	5%	1%
All other responses	2% or less	6% or less	3% or less	4% or less	4% or less	3% or less
None/Nothing	6%	6%	6%	5%	11%	8%
Don't know	7%	6%	7%	7%	10%	10%

S1Q5 What is the most important issue that you want your state government officials to do something about? (Open)

Response Category	Total	South	W. Vall/ N Coast	Metro	Eastern	Central
Unemployment/jobs	11%	14%	12%	9%	10%	14%
Education funding	11%	9%	9%	14%	8%	8%
Reduce taxes	9%	9%	7%	11%	9%	8%
Quality of education	9%	5%	7%	12%	5%	5%
Balance the budget	5%	5%	3%	5%	5%	5%
Economy/Economic growth	5%	5%	5%	4%	6%	6%
Gun control issues	4%	3%	6%	3%	5%	6%
PERS	4%	2%	5%	4%	3%	5%
Control govt. spending/ wasteful spending	4%	2%	5%	4%	2%	4%
All other responses	3% or less	3% or less	4% or less	4% or less	4% or less	3% or less
None/Nothing	3%	3%	4%	3%	3%	3%
Don't know	6%	8%	6%	5%	8%	10%

PUBLIC SERVICES PRIORITIES

Below is a list of services about which people have differing ideas of importance. For each, indicate how important it is for you. For each one, indicate if it is very important, somewhat important, neutral, somewhat unimportant, or very unimportant. Indicating if it's very important or somewhat important means you would support some increase in your taxes to increase the service or some reallocation of tax dollars away from other existing services; neutral means you

don't want more tax dollars to go to that service even if that means a diminished level of the service over time; and somewhat or very unimportant means you want fewer or no taxes to go to that service now and that it should be reduced or discontinued entirely. **(RANDOMIZE)**

Response Category	Very Import $$	Smwt Import $	Neutral	Smwt Unimport	Very Unimport	DK/Refuse/ Other
S1Q6 Emergency disaster & preparedness						
Total	29%	37%	26%	5%	3%	0%
Southern	35%	33%	24%	4%	3%	0%
Willamette Valley	29%	35%	27%	7%	2%	0%
Metro	26%	40%	26%	5%	3%	0%
Eastern	32%	34%	26%	4%	2%	1%
Central	31%	36%	25%	5%	3%	0%
S1Q7 Public safety like police & fire protection						
Total	48%	31%	16%	2%	2%	0%
Southern	54%	28%	14%	2%	1%	1%
Willamette Valley	50%	31%	15%	2%	2%	0%
Metro	45%	34%	17%	2%	2%	0%
Eastern	50%	31%	16%	2%	1%	1%
Central	49%	25%	21%	2%	2%	0%
S1Q8 K-12 education services						
Total	58%	23%	12%	3%	3%	1%
Southern	60%	19%	15%	2%	2%	1%
Willamette Valley	58%	22%	13%	3%	3%	1%
Metro	57%	25%	11%	3%	3%	1%
Eastern	59%	22%	14%	2%	2%	1%
Central	58%	22%	12%	3%	4%	0%
S1Q9 Vocational & technical training/retraining						
Total	22%	39%	27%	7%	4%	1%
Southern	27%	38%	25%	6%	2%	2%
Willamette Valley	21%	39%	27%	8%	4%	1%
Metro	20%	39%	28%	7%	5%	1%
Eastern	27%	43%	21%	6%	2%	0%
Central	28%	38%	23%	7%	3%	1%
S1Q10 Community colleges						
Total	30%	37%	24%	5%	4%	0%
Southern	35%	34%	22%	5%	2%	1%
Willamette Valley	31%	38%	21%	6%	4%	1%
Metro	26%	39%	26%	4%	4%	0%
Eastern	33%	38%	20%	4%	3%	1%
Central	36%	33%	23%	4%	3%	0%
S1Q11 The justice system, courts & jails						
Total	27%	36%	27%	5%	4%	1%
Southern	33%	33%	23%	4%	4%	2%
Willamette Valley	27%	35%	28%	5%	3%	1%
Metro	24%	39%	26%	5%	4%	1%
Eastern	33%	31%	25%	5%	4%	2%
Central	27%	31%	29%	6%	5%	1%

Response Category	Very Import $$	Smwt Import $	Neutral	Smwt Unimport	Very Unimport	DK/Refuse/ Other
S1Q12 Road & highway maintenance						
Total	29%	43%	22%	3%	2%	1%
Southern	29%	45%	20%	4%	1%	0%
Willamette Valley	28%	42%	23%	4%	1%	1%
Metro	27%	44%	22%	3%	3%	1%
Eastern	34%	40%	21%	5%	1%	0%
Central	36%	40%	20%	3%	1%	0%
S1Q13 Public transportation like buses and trains						
Total	22%	33%	27%	10%	8%	1%
Southern	23%	30%	31%	10%	6%	0%
Willamette Valley	21%	30%	30%	9%	9%	0%
Metro	23%	36%	24%	9%	7%	1%
Eastern	19%	25%	27%	17%	10%	1%
Central	19%	32%	26%	13%	10%	1%
S1Q14 Economic development like subsidies and tax breaks for business attraction or expansion						
Total	15%	28%	31%	15%	10%	2%
Southern	20%	31%	26%	12%	8%	3%
Willamette Valley	15%	26%	32%	16%	10%	1%
Metro	12%	28%	32%	16%	10%	2%
Eastern	21%	31%	27%	10%	11%	1%
Central	22%	31%	27%	9%	10%	1%
S1Q15 Protection of water and air quality						
Total	44%	30%	18%	5%	3%	1%
Southern	45%	29%	19%	5%	2%	1%
Willamette Valley	43%	30%	18%	5%	3%	0%
Metro	45%	31%	17%	4%	3%	1%
Eastern	39%	29%	20%	8%	4%	1%
Central	46%	25%	19%	5%	4%	0%
S1Q16 Low-income support services						
Total	22%	30%	28%	10%	9%	1%
Southern	24%	24%	29%	13%	9%	2%
Willamette Valley	21%	30%	26%	11%	10%	1%
Metro	21%	34%	28%	9%	7%	1%
Eastern	21%	26%	28%	13%	11%	1%
Central	22%	27%	29%	11%	10%	1%
S1Q17 Publicly funded health insurance for all citizens						
Total	31%	22%	18%	9%	18%	2%
Southern	33%	21%	16%	9%	19%	2%
Willamette Valley	31%	20%	19%	9%	19%	2%
Metro	32%	24%	17%	10%	15%	2%
Eastern	29%	17%	20%	6%	26%	1%
Central	27%	20%	20%	11%	20%	1%

Response Category	Very Import $$	Smwt Import $	Neutral	Smwt Unimport	Very Unimport	DK/Refuse/ Other
S1Q18 Energy efficiency programs to promote conservation and use of energy efficient products						
Total	25%	34%	23%	8%	8%	1%
Southern	28%	34%	20%	9%	8%	1%
Willamette Valley	23%	35%	24%	8%	9%	1%
Metro	25%	35%	24%	8%	7%	1%
Eastern	27%	32%	22%	9%	10%	0%
Central	27%	30%	24%	11%	7%	1%
S1Q19 Government cost controls for essential health care services						
Total	28%	32%	23%	7%	8%	3%
Southern	27%	30%	23%	7%	9%	3%
Willamette Valley	27%	34%	22%	7%	8%	2%
Metro	29%	32%	23%	7%	8%	3%
Eastern	25%	27%	24%	10%	9%	4%
Central	28%	28%	25%	4%	10%	5%
S1Q20 A health care system that rewards healthy behaviors and wellness						
Total	31%	33%	21%	6%	7%	1%
Southern	35%	30%	21%	5%	7%	2%
Willamette Valley	30%	32%	25%	6%	6%	1%
Metro	30%	35%	19%	7%	7%	1%
Eastern	32%	29%	20%	8%	9%	1%
Central	32%	30%	21%	7%	7%	2%
S1Q21 Public facility infrastructure like water and sewer						
Total	30%	38%	25%	4%	2%	1%
Southern	33%	36%	24%	3%	2%	1%
Willamette Valley	29%	37%	28%	3%	2%	1%
Metro	28%	42%	23%	5%	2%	1%
Eastern	37%	36%	22%	3%	2%	1%
Central	33%	34%	25%	4%	4%	1%
S1Q22 Renewable energy incentives and investments						
Total	24%	33%	23%	10%	9%	1%
Southern	27%	32%	23%	8%	8%	2%
Willamette Valley	25%	31%	22%	12%	8%	1%
Metro	21%	35%	23%	10%	10%	1%
Eastern	23%	27%	21%	15%	13%	2%
Central	26%	33%	26%	7%	7%	1%
S1Q23 New roads and highways						
Total	16%	33%	33%	11%	6%	1%
Southern	13%	30%	33%	15%	8%	0%
Willamette Valley	15%	33%	33%	12%	6%	1%
Metro	16%	33%	34%	10%	6%	1%
Eastern	16%	35%	29%	14%	6%	1%
Central	19%	37%	28%	10%	5%	1%

Response Category	Very Import $$	Smwt Import $	Neutral	Smwt Unimport	Very Unimport	DK/Refuse/ Other
S1Q24 4-year colleges and universities						
Total	29%	33%	25%	7%	5%	1%
Southern	32%	33%	23%	6%	4%	1%
Willamette Valley	27%	31%	26%	10%	6%	1%
Metro	28%	36%	25%	6%	5%	0%
Eastern	32%	32%	24%	6%	6%	0%
Central	33%	34%	21%	6%	5%	1%
S1Q25 Protection of productive farm and forest land from development						
Total	33%	33%	21%	7%	5%	1%
Southern	37%	27%	22%	7%	6%	1%
Willamette Valley	33%	32%	21%	6%	5%	1%
Metro	31%	36%	21%	7%	4%	1%
Eastern	38%	29%	19%	7%	5%	1%
Central	36%	30%	19%	7%	6%	1%

S1Q27

Response Category	Total	South	W Valley	Metro	Eastern	Central
A. Economic growth should be given priority even if the environment suffers to some extent						
Feel strongly	13%	15%	13%	10%	20%	19%
Lean towards	22%	21%	23%	20%	29%	26%
B. Protection of the environment should be given more priority even at the risk of slowing economic growth						
Lean towards	28%	28%	29%	30%	15%	25%
Feel strongly	29%	27%	27%	32%	26%	24%
Don't know	8%	9%	9%	7%	9%	6%

S2Q1 When you think about Oregon ten years from now, do you think it will be a better place to live, about the same as it is today, or worse than today? N=1,958

Response Category	Total	South	W. Valley	Metro	Eastern	Central
Better place	27%	25%	25%	29%	11%	28%
About the same	44%	42%	44%	43%	47%	47%
Worse place	23%	25%	25%	22%	37%	18%
Don't know	6%	8%	6%	6%	5%	7%

S2Q2 (If better place in Q1) In a few words, why do you think Oregon will be better? **(Open) N=520**

Response Category	Total	South	W. Valley	Metro	Eastern	Central
Environmental awareness	24%	19%	32%	22%	19%	18%
Stronger economics	18%	17%	20%	16%	18%	28%
Making progress – General	14%	9%	11%	18%	19%	5%
Progressive	10%	13%	10%	9%	6%	5%
Better education system	9%	1%	11%	10%	16%	6%
Community caring/getting involved	9%	2%	7%	10%	11%	16%
Quality of life	7%	6%	10%	3%	18%	17%
Better political leadership	6%	16%	4%	4%	0%	10%
Employment opportunities/jobs	5%	7%	9%	3%	0%	8%
Clean/green/renewable energy	5%	1%	6%	5%	12%	0%
Better infrastructure, road, bridges, etc.	4%	2%	1%	7%	0%	1%
All other responses	4% or less	4% or less	3% or less	7% or less	6% or less	5% or less
Don't know	0%	0%	1%	0%	0%	0%
No response	2%	0%	1%	3%	0%	5%

S2Q3 (If Worse place in Q1) In a few words, why do you think Oregon will be worse? **(Open) N=459**

Response Category	Total	South	W. Valley	Metro	Eastern	Central
Over population	18%	14%	23%	16%	12%	15%
Too many taxes/keep raising taxes	15%	11%	18%	14%	15%	19%
Poor government leadership/ mismanagement	15%	11%	12%	18%	24%	15%
Unemployment/lack of jobs	11%	10%	10%	10%	14%	15%
Economy	10%	2%	8%	14%	7%	12%
Too much government involvement/ too many laws and regulations	9%	5%	11%	7%	24%	6%
Liberal values	9%	9%	11%	5%	8%	28%
Government spending	9%	8%	8%	11%	5%	5%
Too many people depending on welfare	8%	9%	10%	6%	7%	9%
Environmental issues	7%	9%	8%	7%	2%	1%
Crime	6%	11%	6%	5%	0%	8%
Immigration issues	6%	7%	8%	5%	5%	1%
Decrease in education quality	5%	2%	1%	10%	6%	3%
Lack of funding for education	5%	3%	4%	6%	4%	8%
Upgrade infrastructure, roads bridges, parks, etc.	5%	2%	4%	7%	4%	6%
Budget problem	4%	6%	6%	2%	0%	6%
Urban sprawl	4%	6%	3%	4%	0%	0%
Moral standards declining	4%	4%	2%	5%	4%	3%
Banning new business development	4%	1%	3%	3%	8%	9%
All other responses	3% or less	17% or less	4% or less	4% or less	5% or less	10% or less
Don't know	0%	0%	0%	0%	0%	0%
No response	2%	1%	1%	2%	4%	0%

Note: In South, 17% mention drug usage/addiction; all other responses 6% or less. In Central, 10% mention PERS; all others 5% or less.

S3Q1 When you think about your community ten years from now, do you think it will be a better place to live, about the same as it is today, or worse than today?

Response Category	Total 2013	*Total 2002*	South	W. Valley	Metro	East	Central
Better place	27%	*32%*	22%	25%	30%	14%	28%
About the same	45%	*29%*	44%	49%	42%	53%	40%
Worse place	23%	*35%*	26%	21%	22%	29%	21%
Don't know	5%	*5%*	7%	4%	5%	4%	10%

S3Q2 (If better place in Q1) In a few words, why do you think your community will be better? (Open)

Response Category	Total	South	W. Valley	Metro	East	Central
Community caring/ getting involved	21%	36%	21%	18%	29%	15%
Making progress/ moving forward	20%	14%	11%	27%	39%	15%
Stronger economy	11%	8%	16%	8%	23%	14%
Business growth	10%	8%	12%	7%	28%	15%
Environmental awareness	8%	8%	9%	9%	-	2%
Population growth	7%	11%	7%	6%	9%	15%
Employment opportunities/ jobs	7%	9%	12%	3%	13%	9%
Better education system	6%	4%	9%	5%	11%	5%
Public transit	6%	0%	2%	10%	0%	2%
Growth planning	5%	7%	4%	6%	6%	2%
Better political leadership	5%	8%	5%	3%	9%	9%
Quality of life	4%	1%	1%	6%	3%	12%
Better infrastructure	4%	8%	5%	2%	0%	8%
Progressive	4%	6%	2%	5%	0%	4%
Better/ revitalized areas/ downtown area	4%	1%	10%	2%	0%	0%
Technological progression	4%	2%	6%	2%	0%	5%
All other responses	3% or less	9% or less	4% or less	5% or less	21% or less	5% or less
None/Nothing	1%	0%	1%	1%	0%	2%
Don't know/NR	4%	4%	3%	6%	0%	4%

Note: in South, 9% mention diversity; all others 6% or less. In East, 21% mention community programs, churches, recreational centers, etc; all others 6% or less.

S3Q3 (If Worse place in Q1) In a few words, why do you think your community will be worse? **(Open)**

Response Category	Total	South	W. Valley	Metro	East	Central
Crime	12%	29%	7%	12%	3%	3%
Over population	12%	11%	14%	12%	0%	14%
Unemployment/ lack of jobs	10%	23%	8%	2%	33%	17%
Economy	10%	13%	11%	7%	14%	16%
Moral standards declining	8%	3%	14%	7%	0%	7%
Poor government leadership	8%	5%	7%	11%	11%	4%
Drugs usage/addiction	7%	19%	8%	2%	12%	4%
Too many taxes/ keep raising taxes	6%	3%	6%	8%	3%	8%
Cutting essential public services	6%	8%	7%	7%	0%	1%
Too many people depending on welfare	6%	7%	7%	6%	6%	4%
Poverty/ homeless	6%	4%	7%	7%	0%	3%
Keep going in the wrong direction	6%	5%	7%	4%	8%	11%
Traffic congestion	5%	4%	8%	6%	0%	3%
Upgrade infrastructure	5%	1%	2%	10%	0%	5%
Less law enforcement	5%	18%	5%	3%	0%	0%
Gangs	4%	14%	0%	3%	12%	0%
Environmental issues	4%	5%	4%	4%	3%	7%
Decrease in education quality	4%	5%	3%	4%	3%	4%
Over development	4%	1%	4%	4%	5%	7%
All other responses	3% or less	3% or less	6% or less	5% or less	14% or less	14% or less
None/Nothing	1%	0%	0%	2%	0%	0%
Don't know/NR	1%	1%	1%	2%	0%	5%

Note: in East, 14% mention immigration issues, 11% mention towns getting smaller; all others 8% or less. In Central, 14% mention towns getting smaller and timber industry shrinking; all others 4% or less.

DAS - ECONOMIC DEVELOPMENT

Below are some possible ECONOMIC DEVELOPMENT actions government might take. Please indicate how desirable you feel each one is. **(RANDOMIZE)**

Response Category	Total	South		W. Valley	Metro	Eastern	Central
S3Q22 Increase timber harvests in dense, over-crowded forest stands							
Strongly Desirable	22%	34%		20%	16%	46%	33%
Somewhat Desirable	31%	29%		33%	32%	20%	31%
Neutral	21%	21%		18%	26%	14%	17%
Somewhat Undesirable	12%	10%		16%	11%	6%	9%
Strongly Undesirable	7%	4%		9%	7%	7%	4%
Don't know	6%	2%		4%	8%	6%	5%
MEAN	2.5	2.2		2.6	2.6	2.0	2.2

Response Category	Total	South		W. Valley	Metro	Eastern	Central
S3Q23 Reduce government regulations							
Strongly Desirable	19%	23%		17%	16%	39%	28%
Somewhat Desirable	23%	32%		23%	20%	25%	22%
Neutral	25%	20%		27%	28%	13%	19%
Somewhat Undesirable	17%	17%		17%	17%	12%	17%
Strongly Undesirable	11%	5%		12%	13%	6%	9%
Don't know	4%	1%		4%	5%	3%	3%
MEAN	2.8	2.5		2.8	2.9	2.2	2.6
S3Q24 Revamp land use laws to permit more development							
Strongly Desirable	7%	8%		5%	6%	17%	10%
Somewhat Desirable	16%	15%		20%	13%	24%	17%
Neutral	22%	24%		23%	21%	12%	23%
Somewhat Undesirable	26%	33%		26%	26%	21%	23%
Strongly Undesirable	24%	16%		22%	28%	22%	24%
Don't know	4%	3%		4%	6%	2%	3%
MEAN	3.5	3.4		3.4	3.6	3.1	3.4
S3Q25 Build and communicate a pro-business attitude in local and state govt							
Strongly Desirable	22%	26%		19%	21%	31%	28%
Somewhat Desirable	34%	36%		37%	31%	33%	31%
Neutral	27%	25%		27%	28%	24%	21%
Somewhat Undesirable	10%	11%		10%	10%	6%	10%
Strongly Undesirable	4%	2%		4%	5%	1%	5%
Don't know	3%	1%		3%	5%	4%	3%
MEAN	2.4	2.3		2.4	2.4	2.1	2.3
S3Q26 Build and communicate a pro-environment attitude in local and state government							
Strongly Desirable	29%	24%		31%	30%	28%	25%
Somewhat Desirable	31%	31%		30%	34%	19%	30%
Neutral	21%	23%		21%	20%	20%	19%
Somewhat Undesirable	10%	14%		11%	8%	16%	10%
Strongly Undesirable	6%	4%		4%	6%	14%	12%
Don't know	2%	1%		2%	3%	3%	3%
MEAN	2.3	2.4		2.3	2.2	2.7	2.5

Below are several more possible economic development actions. Please indicate STRONGLY OR SOMEWHAT DESIRABLE if you support some increase in your taxes or what you pay for public services for that action to happen, SOMEWHAT OR STRONGLY UNDESIRABLE if you don't want the action to happen, or NEUTRAL. **(RANDOMIZE)**

Response Category	Total	South		W. Valley	Metro	Eastern	Central
S3Q27 Reduce business taxes							
Strongly Desirable $$	14%	18%		11%	12%	27%	19%
Somewhat Desirable $	21%	29%		20%	18%	27%	17%
Neutral	25%	24%		27%	24%	16%	24%
Somewhat Undesirable	21%	19%		25%	20%	13%	23%
Strongly Undesirable	14%	7%		13%	18%	13%	11%
Don't know	4%	2%		3%	6%	2%	4%
MEAN	3.0	2.7		3.1	3.1	2.6	2.9
S3Q28 Increase workforce training							
Strongly Desirable $$	24%	26%		24%	21%	30%	24%
Somewhat Desirable $	45%	46%		46%	46%	41%	43%
Neutral	21%	17%		21%	22%	19%	22%
Somewhat Undesirable	4%	7%		3%	4%	3%	3%
Strongly Undesirable	2%	2%		2%	2%	1%	3%
Don't know	3%	1%		2%	4%	3%	2%
MEAN	2.1	2.1		2.1	2.1	2.0	2.1
S3Q29 Provide public subsidies and tax breaks to attract new jobs & industries							
Strongly Desirable $$	12%	20%		8%	10%	17%	14%
Somewhat Desirable $	35%	33%		39%	31%	38%	39%
Neutral	27%	25%		27%	29%	20%	22%
Somewhat Undesirable	13%	10%		13%	14%	14%	13%
Strongly Undesirable	8%	8%		6%	9%	4%	7%
Don't know	4%	3%		3%	5%	5%	2%
MEAN	2.7	2.5		2.7	2.8	2.5	2.6
S3Q30 Expand air service throughout Oregon							
Strongly Desirable $$	10%	16%		14%	5%	18%	13%
Somewhat Desirable $	25%	30%		28%	20%	32%	28%
Neutral	39%	40%		34%	46%	26%	33%
Somewhat Undesirable	9%	8%		10%	11%	6%	6%
Strongly Undesirable	4%	2%		3%	4%	11%	3%
Don't know	11%	3%		10%	14%	5%	13%
MEAN	2.7	2.5		2.6	2.9	2.6	2.5
S3Q31 Provide publicly funded venture capital for start-up companies							
Strongly Desirable $$	6%	9%		6%	5%	10%	6%
Somewhat Desirable $	26%	25%		31%	24%	22%	21%
Neutral	31%	35%		27%	32%	29%	36%
Somewhat Undesirable	18%	18%		19%	18%	17%	14%
Strongly Undesirable	13%	10%		12%	14%	13%	14%
Don't know	5%	2%		4%	6%	7%	6%
MEAN	3.0	2.9		3.0	3.1	3.0	3.1

S3Q32 Regarding industrial development efforts in Oregon, which is the better choice?

Response Category	Total	South	W. Valley	Metro	Eastern	Central
Maintain and improve traditional industries	6%	7%	5%	6%	10%	5%
Attract new or emerging industries	12%	13%	13%	12%	10%	9%
Both	65%	63%	65%	66%	65%	66%
De-emphasize industrial development as an economic goal	9%	12%	9%	7%	12%	11%
Don't know	8%	6%	9%	8%	3%	9%

S3Q33 (If Maintain/Improve or Both) Specifically, which traditional industries should be maintained and improved? (Open)

Response Category	Total	South	W. Valley	Metro	Eastern	Central
Logging/timber	36%	50%	39%	27%	49%	45%
Agriculture	20%	18%	20%	19%	25%	24%
Fishing/fisheries	11%	11%	11%	10%	11%	12%
Technology	9%	3%	6%	14%	4%	7%
Manufacturing	9%	9%	7%	10%	7%	10%
Forestry	7%	7%	8%	8%	4%	7%
Tourism	6%	7%	6%	5%	7%	6%
Clean industries, environmental	3%	3%	3%	4%	1%	3%
Computer/IT	3%	2%	4%	4%	2%	2%
All industries	3%	4%	3%	3%	3%	5%
Energy/ energy production	3%	1%	1%	4%	9%	2%
All other responses	2% or less	4% or less	2% or less	3% or less	6% or less	3% or less
None/nothing	2%	1%	1%	3%	5%	0%
Don't know	6%	2%	6%	8%	8%	6%
No response	15%	19%	14%	16%	6%	17%

S3Q34 (If New/Emerging or Both) Specifically, which emerging industries should Oregon try to attract? (Open)

Response Category	Total	South	W. Valley	Metro	Eastern	Central
Technology	28%	22%	27%	30%	21%	32%
Solar energy	6%	9%	7%	4%	11%	3%
Clean/ Green industries, Jobs	5%	4%	6%	5%	4%	4%
Green energy	5%	0%	6%	6%	2%	2%
Manufacturing	4%	6%	3%	5%	4%	6%
Wind energy	4%	7%	5%	3%	8%	4%
Alternative energy	4%	4%	3%	6%	1%	4%
Healthcare/Medical	4%	6%	4%	4%	0%	5%
Internet/Web/Software	4%	4%	2%	5%	5%	5%
Computers	4%	5%	5%	3%	2%	3%
Creates jobs	4%	3%	3%	4%	7%	4%
Tourism	3%	6%	3%	2%	2%	5%
Renewable energy	3%	3%	2%	4%	3%	2%
All other responses	2% or less	5% or less	4% or less	3% or less	6% or less	4% or less
None/nothing	3%	2%	2%	3%	6%	1%
Don’t know	9%	5%	8%	10%	5%	10%

APPENDIX B
PREFERENCES FOR STATE AND LOCAL ACTION

Table 1: What is the most important issue that you want your local government officials to do something about?

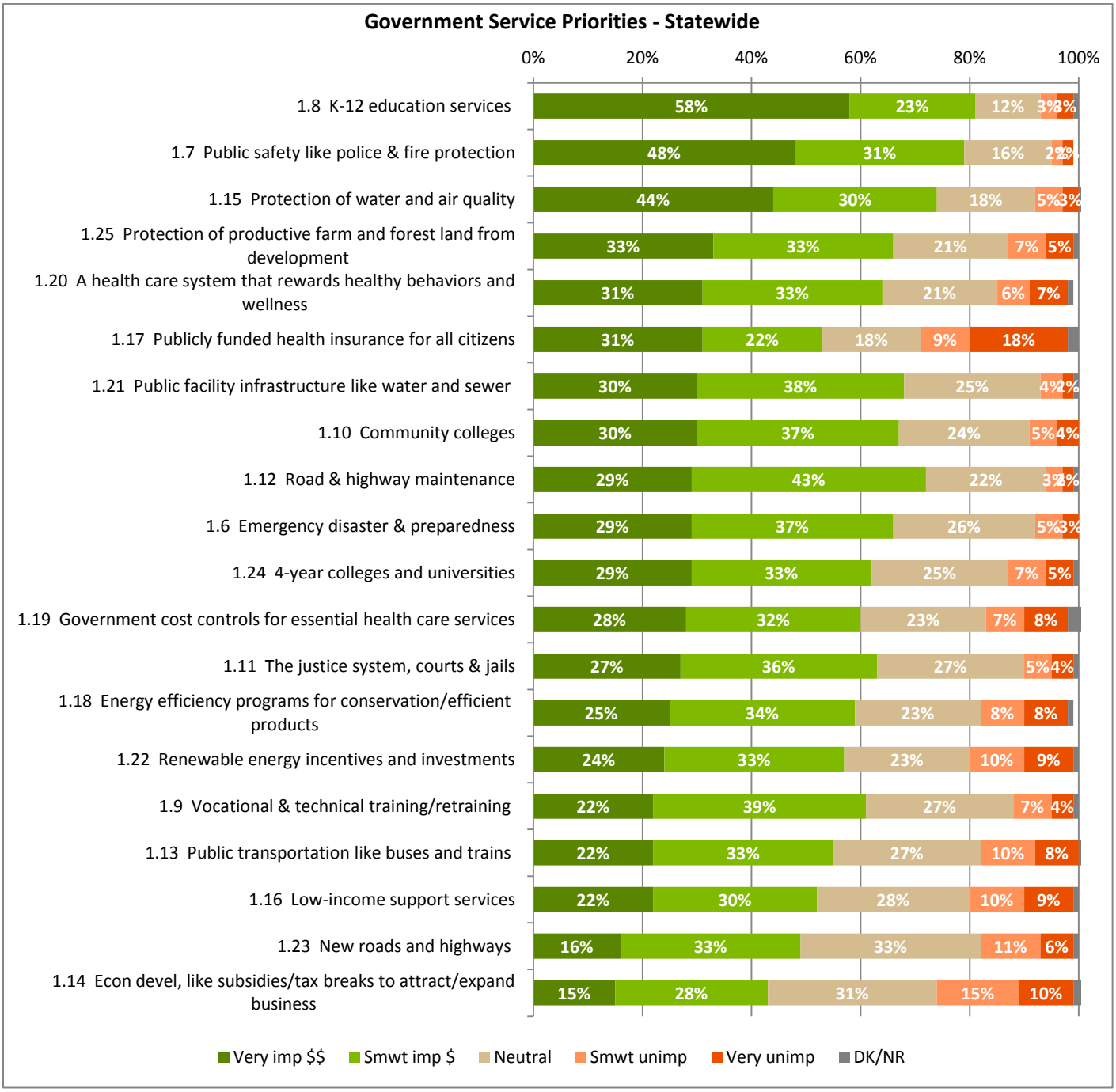
State		South		WillV/NCoast		Metro		East		Central	
Unemp/jobs	11%	Unemp/jobs	13%	Unemp/jobs	11%	Education funding	11%	Unemp/jobs	10%	Unemp/ jobs	14%
Education funding	8%	Crime/pub. safety	9%	Govt spending	8%	Unemp/jobs	10%	Crime/pub. safety	8%	Road infrastr.	8%
Taxes	7%	Taxes	6%	Taxes	7%	Taxes	8%	Govt leadership	5%	Govt spending	8%
Govt spending	7%	Drug usage	6%	Crime/pub. safety	7%	Road infrastr.	8%	Economy/growth	5%	Taxes	7%
Road infrastr.	6%	Economy/growth	6%	Education funding	6%	Govt spending	7%	Education funding	4%	Economy/ growth	6%
Crime/pub. safety	6%	Govt spending	5%	Road infrastr.	6%	Education - gen'l	6%	Taxes	4%	Education funding	3%
Education - gen'l	4%	Poverty/homeless	5%	Economy/growth	4%	Crime/pub. safety	4%	Road infrastr.	4%	Gun laws	3%
Economy/growth	4%	Education funding	4%	Education - gen'l	4%	Poverty/ homeless	4%	Govt spending	4%	Crime/pub. safety	3%
Poverty/ homeless	3%	Education quality	3%	Poverty/ homeless	3%	Water issues	4%	Gun laws	4%	Education quality	3%
Education quality	3%	Gun laws	3%	Jails/overcrowded	3%	Education quality	4%	Education quality	4%	Education - gen'l	2%
Govt leadership	3%	Bus. Restrictions	3%	Environ. concern	3%	Traffic congestion	3%	Drug usage	3%	Environ. concern	2%
Water issues	2%	Law enforcemt	3%	Gun laws	3%	Govt leadership	3%	Immigration	2%	Afford. healthcare	2%
Other responses	≤2%	Other responses	≤2%	Other responses	≤3%	Other responses	≤2%	Other responses	≤2%	Other responses	≤2%

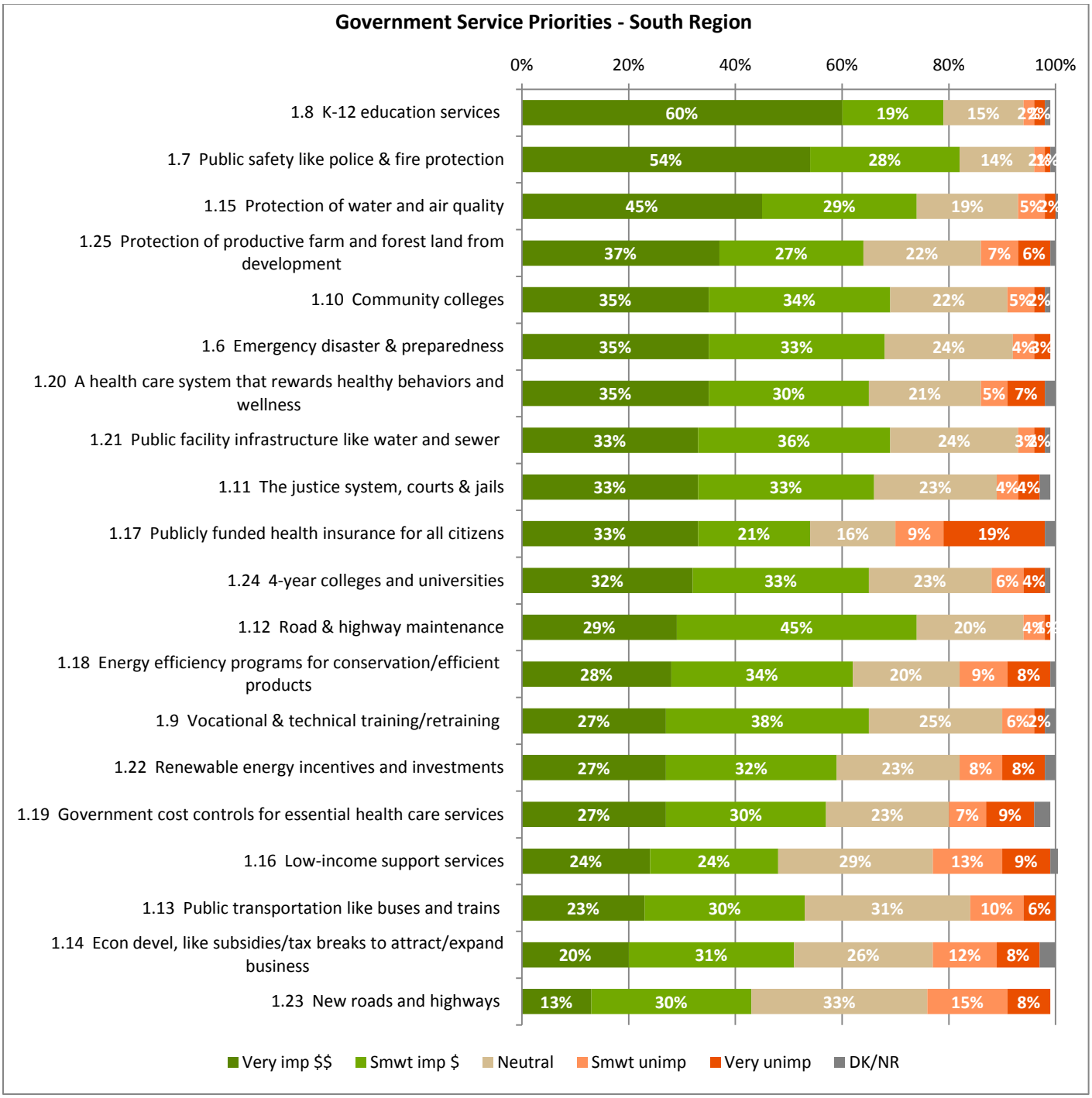
Table 2: What is the most important issue that you want your state government officials to do something about?

State		South		WillV/NCoast		Metro		East		Central	
Unemp/jobs	11%	Unemp/jobs	14%	Unemp/jobs	12%	Education funding	14%	Unemp/jobs	10%	Unemp/jobs	14%
Education funding	11%	Education funding	9%	Education funding	9%	Education quality	12%	Reduce taxes	9%	Reduce taxes	8%
Reduce taxes	9%	Reduce taxes	9%	Reduce taxes	7%	Reduce taxes	11%	Education funding	8%	Education funding	8%
Education quality	9%	Education quality	5%	Education quality	7%	Unemp/jobs	9%	Economy/ growth	6%	Economy/ growth	6%
Balance budget	5%	Balance budget	5%	Gun control	6%	Balance budget	5%	Education quality	5%	Gun control	6%
Economy/ growth	5%	Timber industry	5%	Economy/growth	5%	Economy/ growth	4%	Balance budget	5%	Education quality	5%
Gun control	4%	Economy/growth	5%	PERS	5%	PERS	4%	Gun control	5%	Balance budget	5%
PERS	4%	Health care	4%	Govt spending	5%	Govt spending	4%	Health care	4%	PERS	5%
Govt spending	4%	Gun control	3%	Health care	4%	Road maintenance	4%	PERS	3%	Govt spending	4%
Health care	3%	Legal. Marijuana	3%	Illeg. immigraion	4%	Gun control	3%	Illeg. immigraion	3%	Health care	3%
Other response	≤3%	Other response	≤2%	Other response	≤3%	Other response	≤3%	Other response	≤3%	Other response	≤3%

APPENDIX C
STATE AND REGIONAL RESULTS FOR GOVERNMENT SERVICE PRIORITIES

Ranked by "Very Important" Response




Government Service Priorities - South Region
0%
20%
40%
60%
80%
100%
1.8 K-12 education services
60%
19%
15%
1.7 Public safety like police & fire protection
54%
28%
14%
1.15 Protection of water and air quality
45%
29%
19%
5%
1.25 Protection of productive farm and forest land from development
37%
27%
22%
7%
6%
1.10 Community colleges
35%
34%
22%
5%
1.6 Emergency disaster & preparedness
35%
33%
24%
1.20 A health care system that rewards healthy behaviors and wellness
35%
30%
21%
5%
7%
1.21 Public facility infrastructure like water and sewer
33%
36%
24%
1.11 The justice system, courts & jails
33%
33%
23%
4%
4%
1.17 Publicly funded health insurance for all citizens
33%
21%
16%
9%
19%
1.24 4-year colleges and universities
32%
33%
23%
6%
4%
1.12 Road & highway maintenance
29%
45%
20%
1.18 Energy efficiency programs for conservation/efficient products
28%
34%
20%
9%
8%
1.9 Vocational & technical training/retraining
27%
38%
25%
6%
1.22 Renewable energy incentives and investments
27%
32%
23%
8%
8%
1.19 Government cost controls for essential health care services
27%
30%
23%
7%
9%
1.16 Low-income support services
24%
24%
29%
13%
9%
1.13 Public transportation like buses and trains
23%
30%
31%
10%
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1.14 Econ devel, like subsidies/tax breaks to attract/expand business
20%
31%
26%
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8%
1.23 New roads and highways
13%
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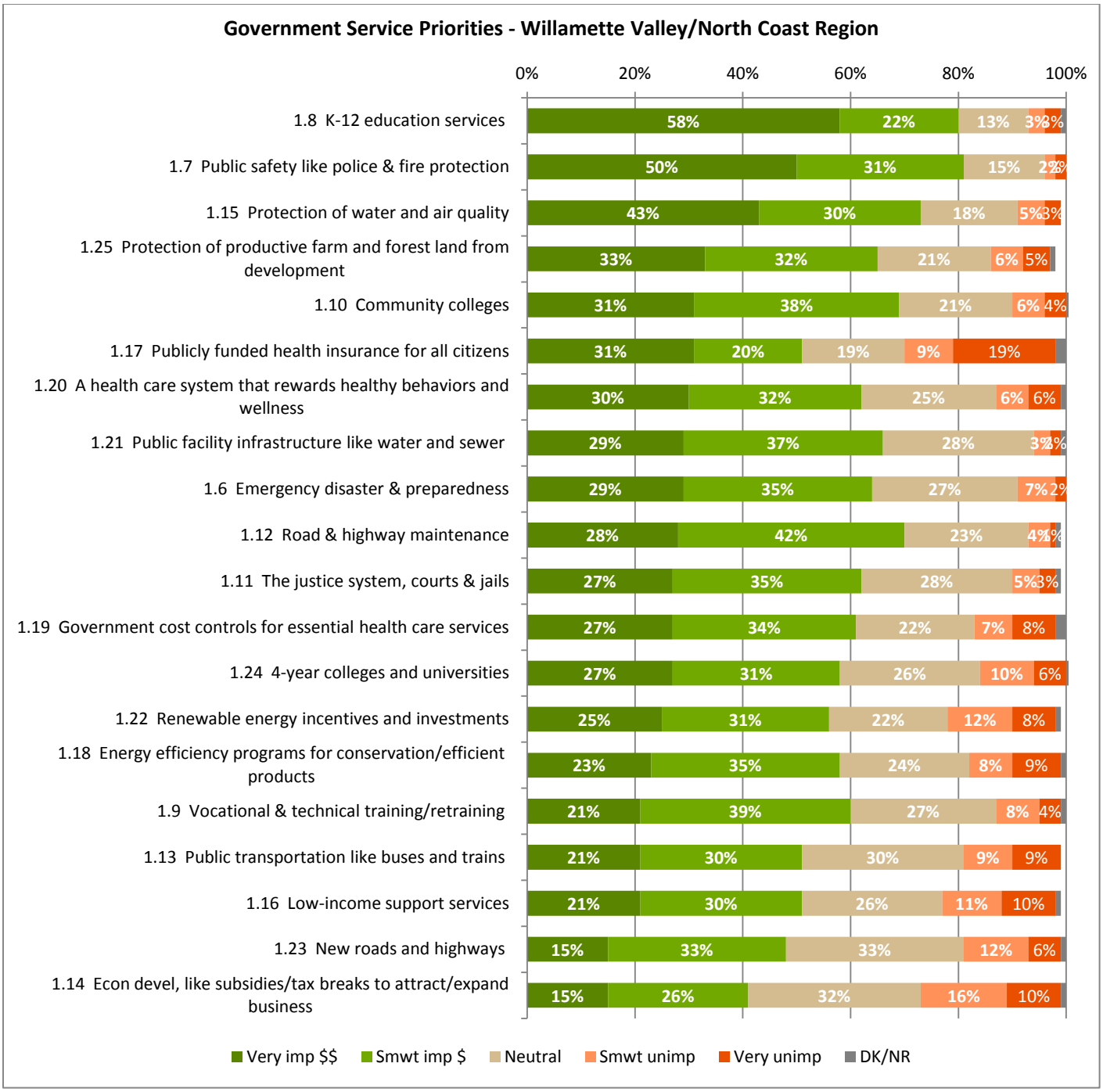
Neutral
Smwt unimp
Very unimp
DK/NR


Government Service Priorities - Willamette Valley/North Coast Region
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1.8 K-12 education services
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1.7 Public safety like police & fire protection
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1.21 Public facility infrastructure like water and sewer
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1.6 Emergency disaster & preparedness
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1.12 Road & highway maintenance
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1.11 The justice system, courts & jails
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1.19 Government cost controls for essential health care services
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1.22 Renewable energy incentives and investments
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1.9 Vocational & technical training/retraining
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1.13 Public transportation like buses and trains
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1.14 Econ devel, like subsidies/tax breaks to attract/expand business
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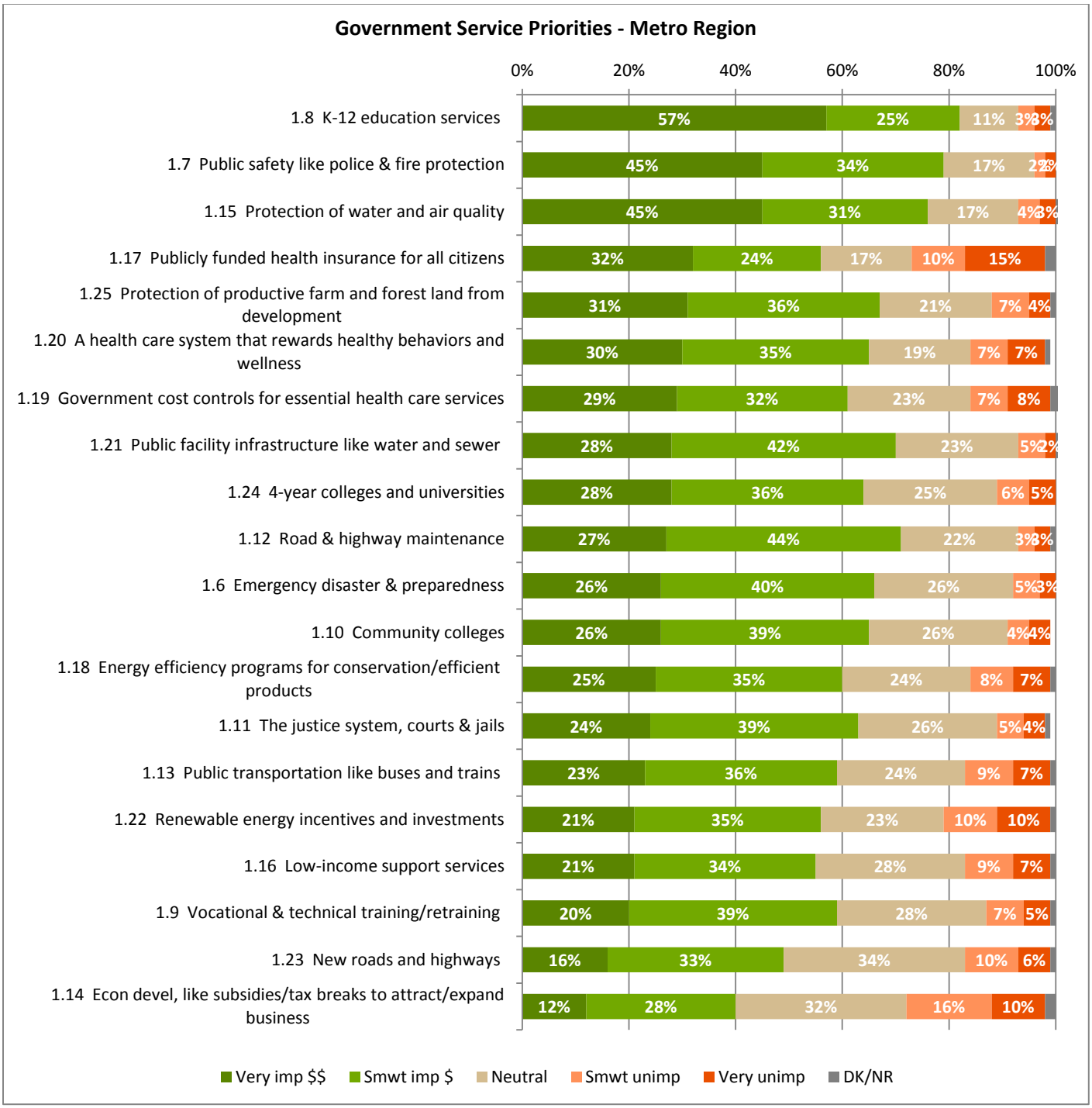
Government Service Priorities - Metro Region
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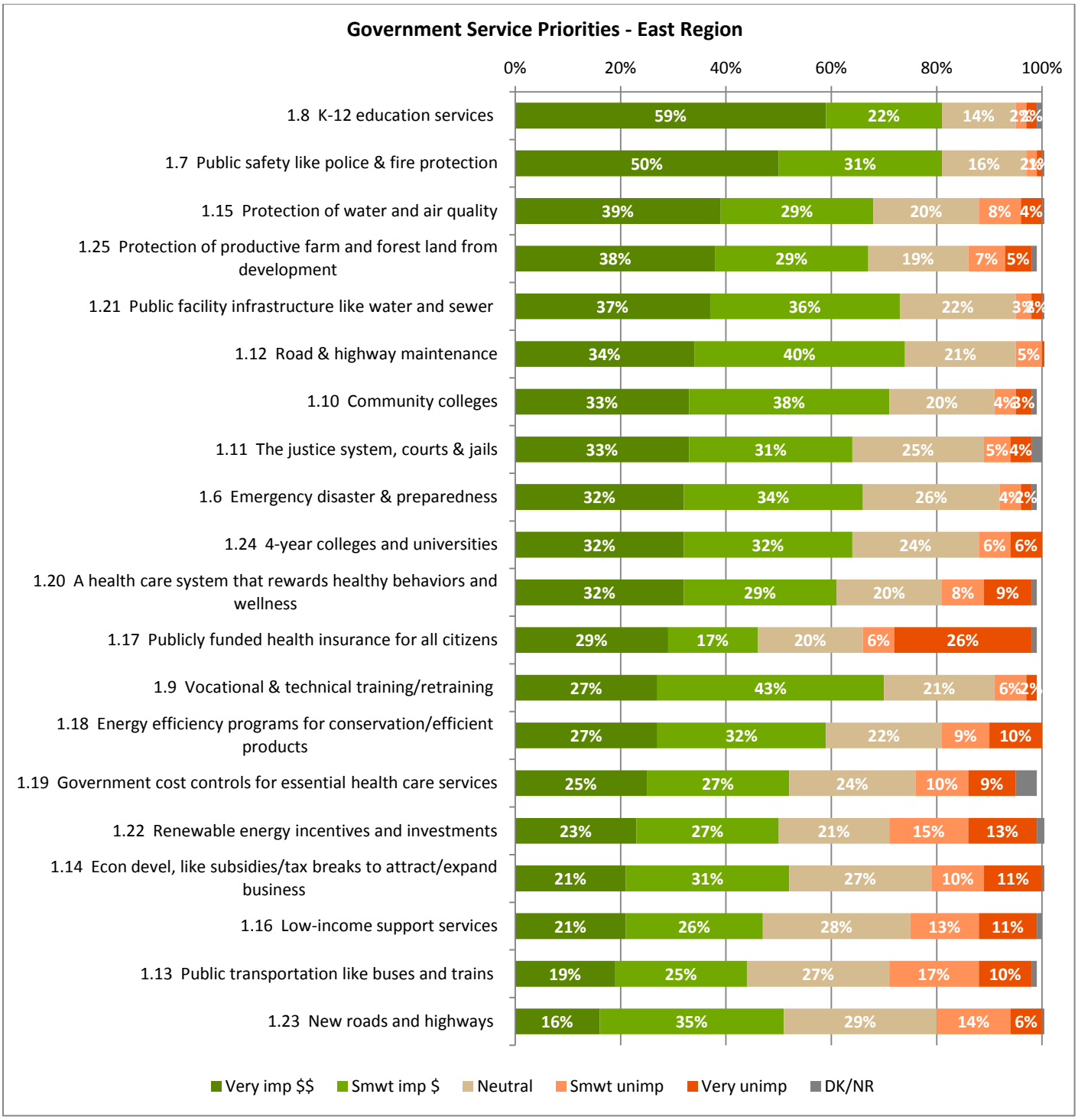
Government Service Priorities - East Region
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1.21 Public facility infrastructure like water and sewer
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1.12 Road & highway maintenance
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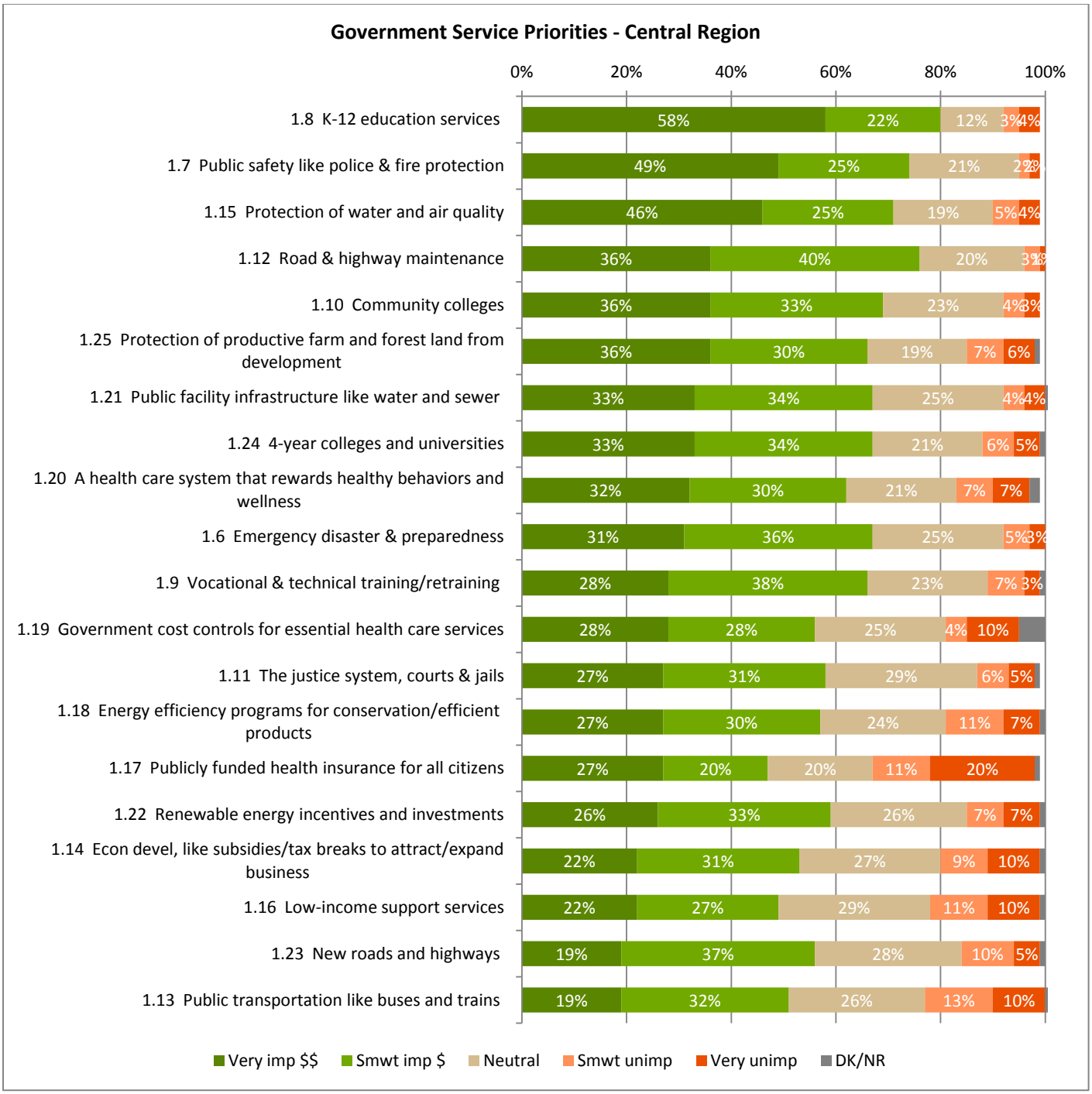
Government Service Priorities - Central Region
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1.11 The justice system, courts & jails
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1.18 Energy efficiency programs for conservation/efficient products
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30%
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7%
1.17 Publicly funded health insurance for all citizens
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1.22 Renewable energy incentives and investments
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1.14 Econ devel, like subsidies/tax breaks to attract/expand business
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1.16 Low-income support services
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1.23 New roads and highways
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1.13 Public transportation like buses and trains
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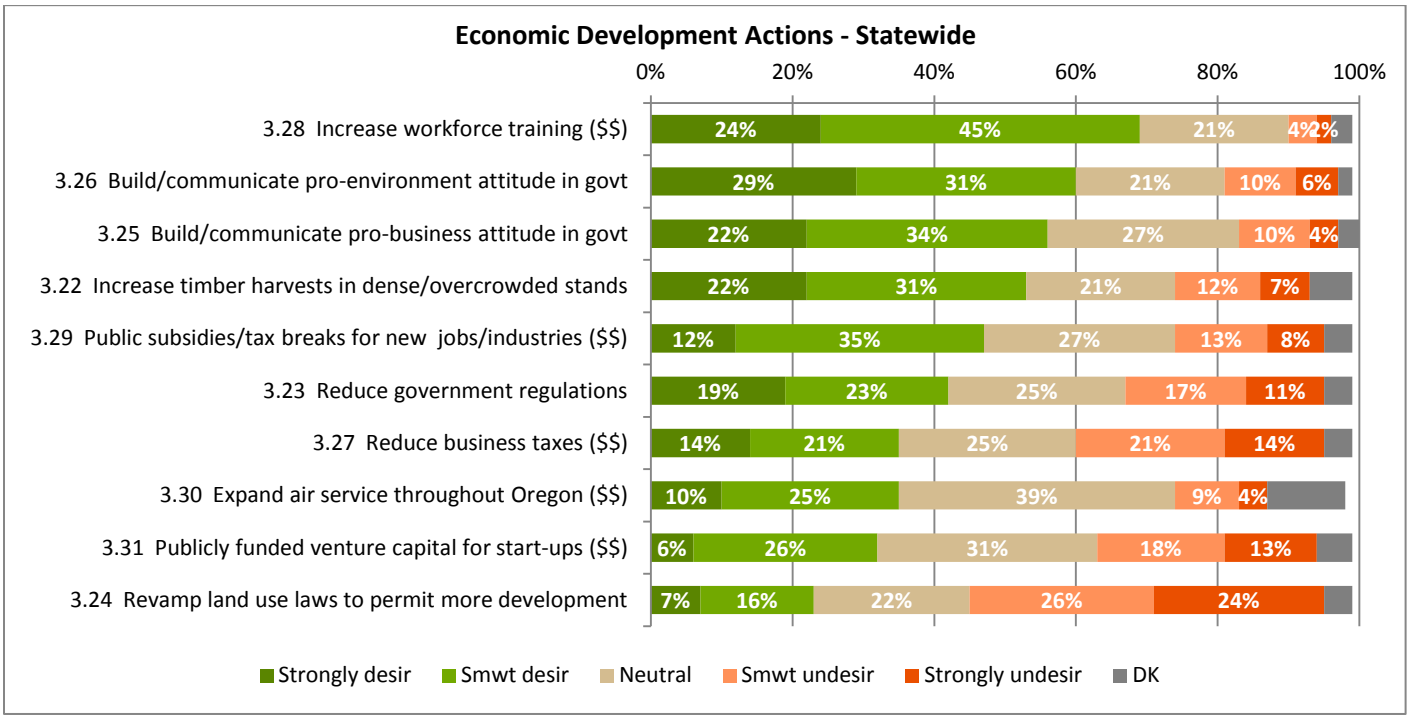
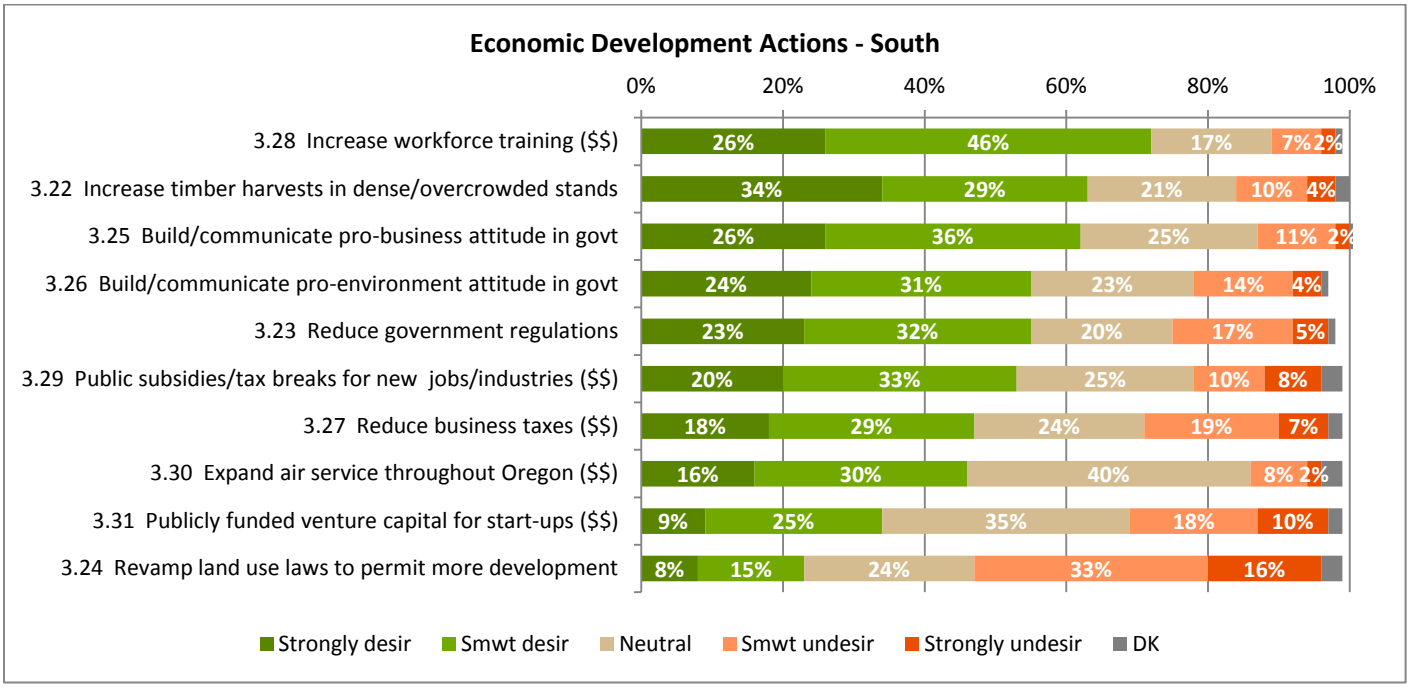
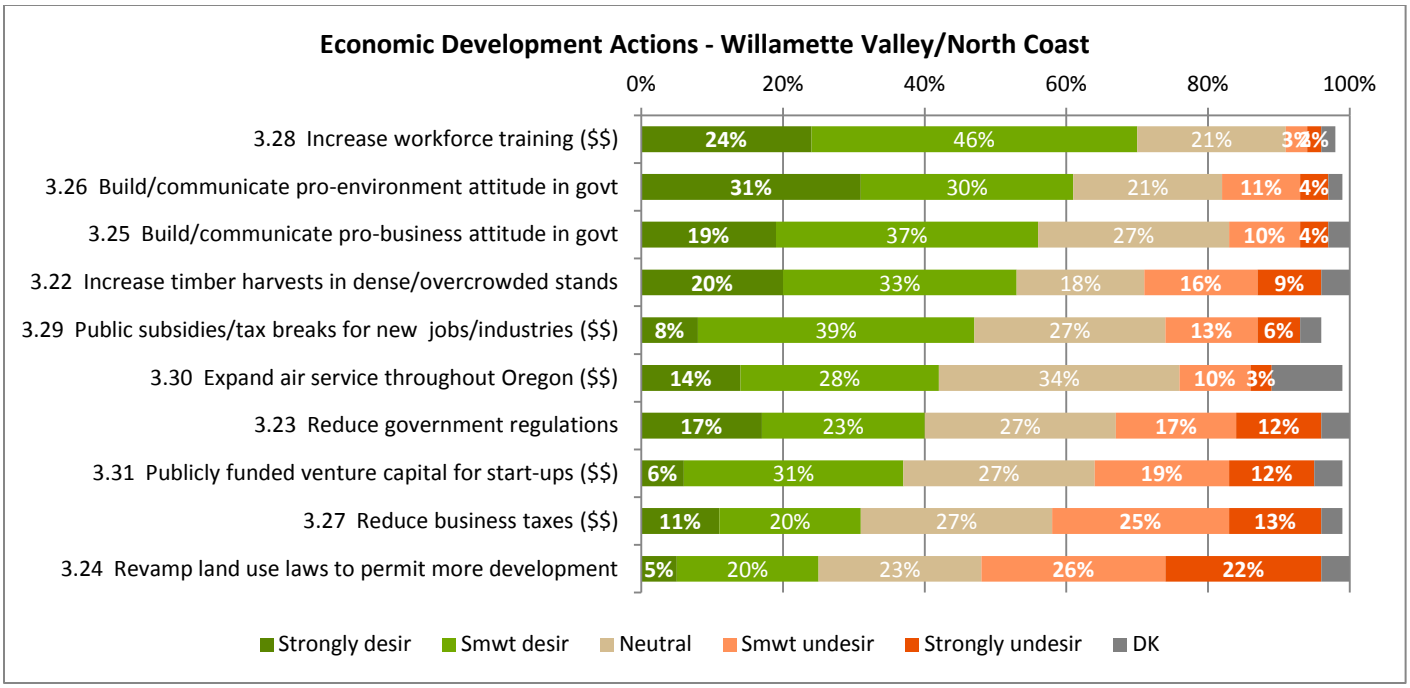
Very unimp
DK/NR

Appendix D
State and Regional Results for Economic Development Actions

Ranked by Combined "Very" and "Somewhat Important" Response






Economic Development Actions - Willamette Valley/North Coast
0%
20%
40%
60%
80%
100%
3.28 Increase workforce training ($$)
24%
46%
21%
3%
2%
3.26 Build/communicate pro-environment attitude in govt
31%
30%
21%
11%
4%
3.25 Build/communicate pro-business attitude in govt
19%
37%
27%
10%
4%
3.22 Increase timber harvests in dense/overcrowded stands
20%
33%
18%
16%
9%
3.29 Public subsidies/tax breaks for new jobs/industries ($$)
8%
39%
27%
13%
6%
3.30 Expand air service throughout Oregon ($$)
14%
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3%
3.23 Reduce government regulations
17%
23%
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12%
3.31 Publicly funded venture capital for start-ups ($$)
6%
31%
27%
19%
12%
3.27 Reduce business taxes ($$)
11%
20%
27%
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13%
3.24 Revamp land use laws to permit more development
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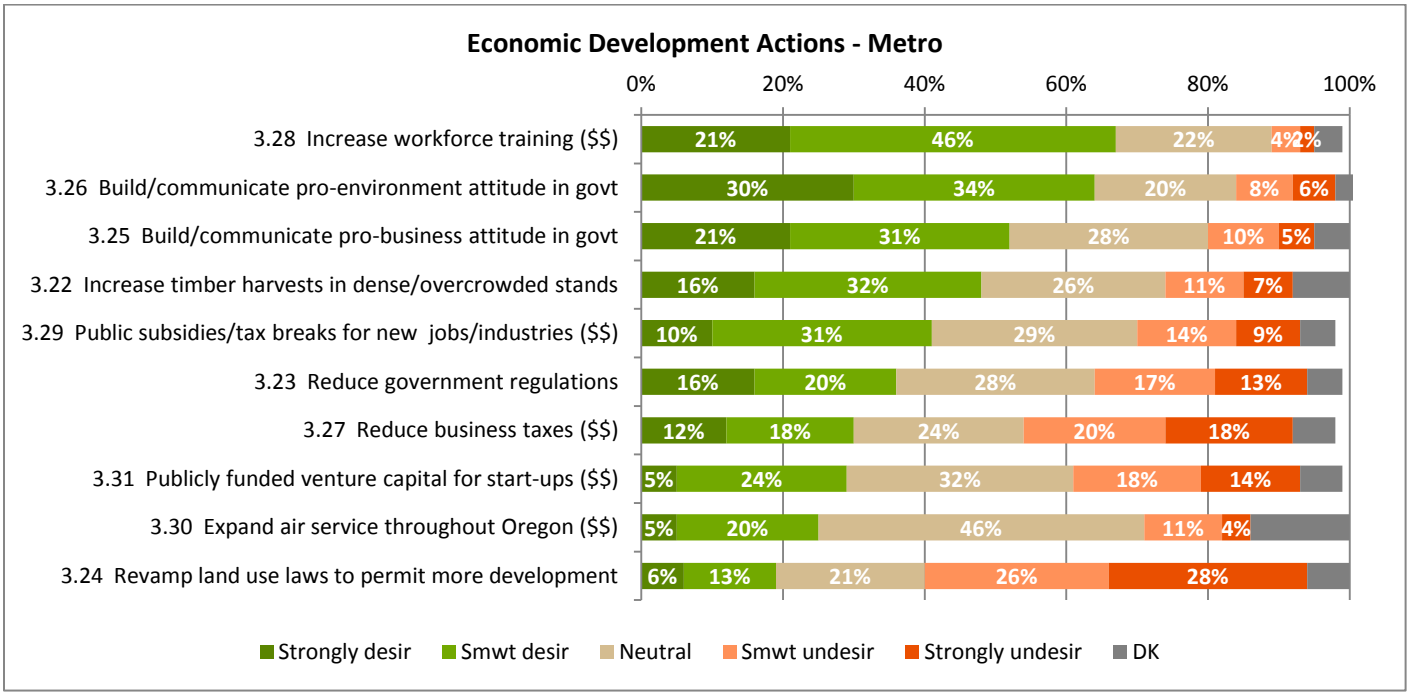
Economic Development Actions - Metro
0%
20%
40%
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3.28 Increase workforce training ($$)
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3.26 Build/communicate pro-environment attitude in govt
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3.25 Build/communicate pro-business attitude in govt
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3.22 Increase timber harvests in dense/overcrowded stands
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29%
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3.27 Reduce business taxes ($$)
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3.31 Publicly funded venture capital for start-ups ($$)
5%
24%
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18%
14%
3.30 Expand air service throughout Oregon ($$)
5%
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46%
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3.24 Revamp land use laws to permit more development
6%
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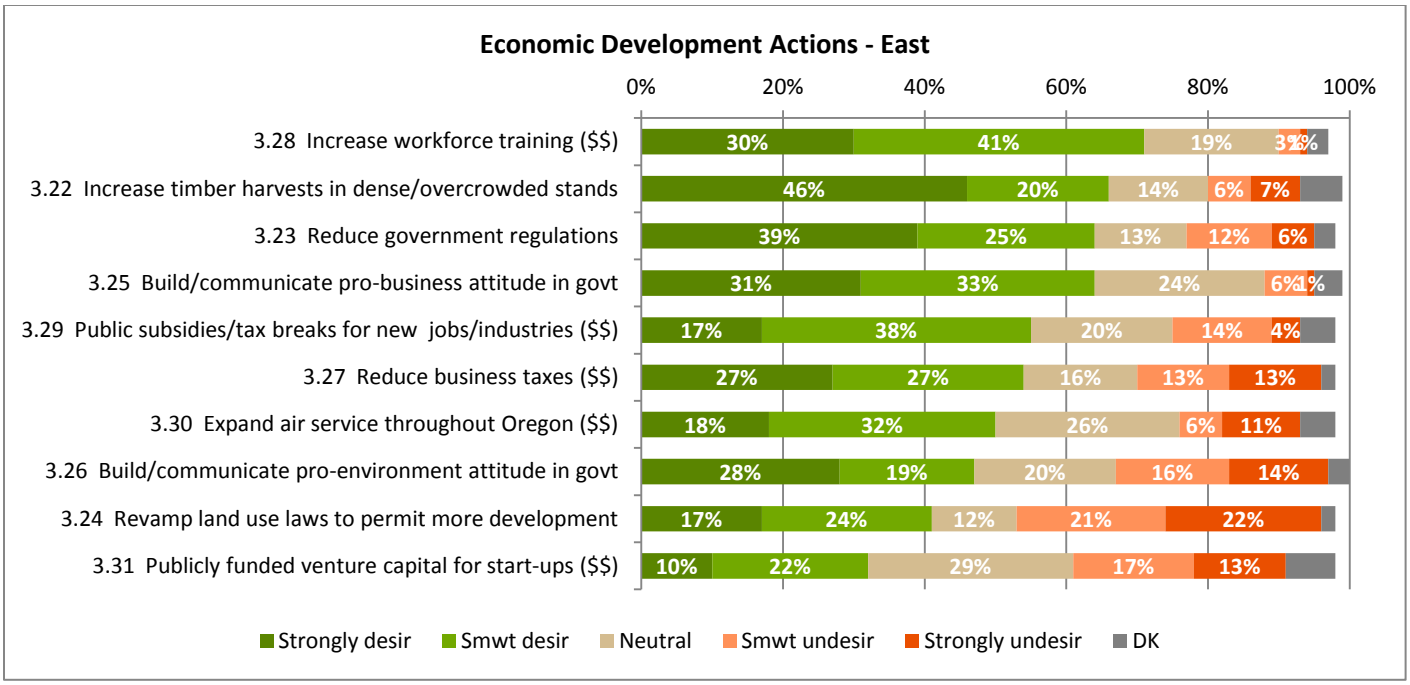
Economic Development Actions - East
0%
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3.28 Increase workforce training ($$)
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3.22 Increase timber harvests in dense/overcrowded stands
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20%
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6%
7%
3.23 Reduce government regulations
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6%
3.25 Build/communicate pro-business attitude in govt
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24%
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3.29 Public subsidies/tax breaks for new jobs/industries ($$)
17%
38%
20%
14%
4%
3.27 Reduce business taxes ($$)
27%
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16%
13%
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3.30 Expand air service throughout Oregon ($$)
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32%
26%
6%
11%
3.26 Build/communicate pro-environment attitude in govt
28%
19%
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16%
14%
3.24 Revamp land use laws to permit more development
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3.31 Publicly funded venture capital for start-ups ($$)
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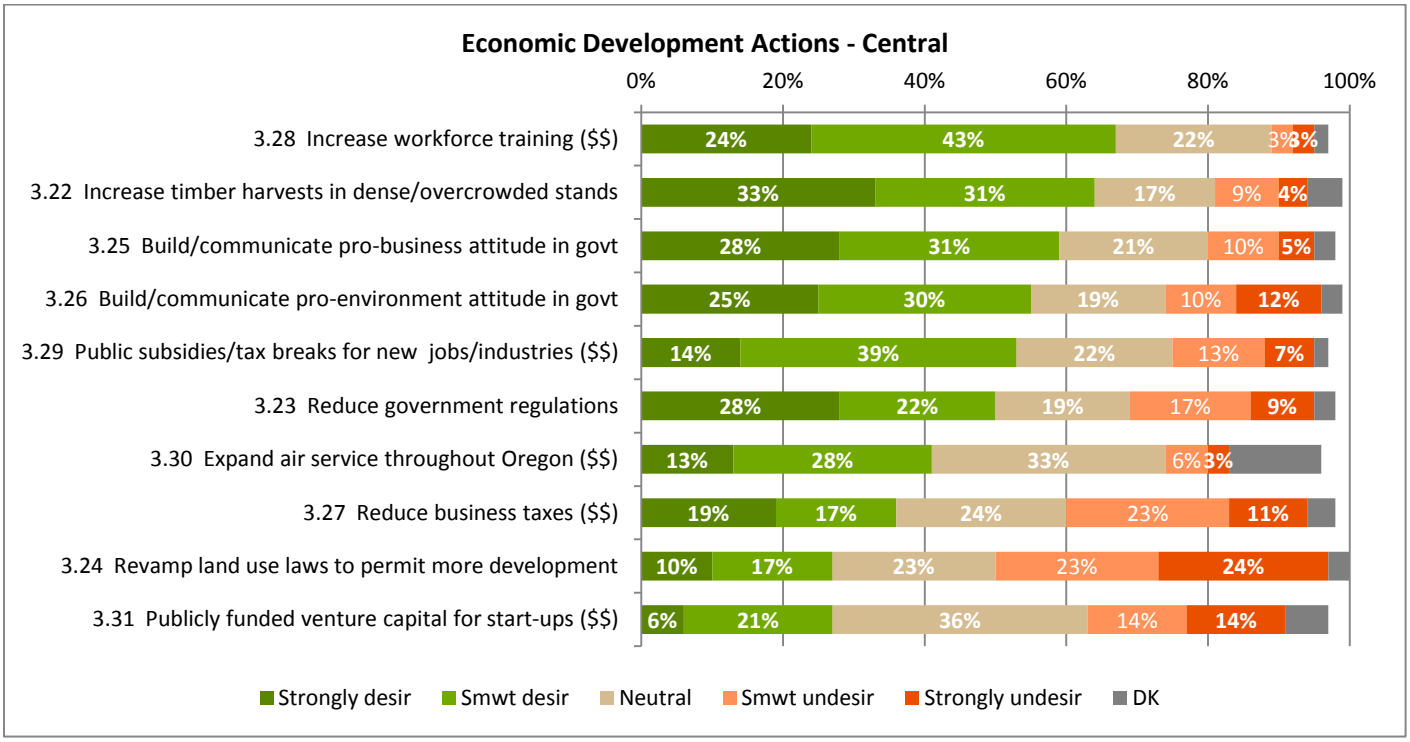
Economic Development Actions - Central
0%
20%
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3.28 Increase workforce training ($$)
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3.22 Increase timber harvests in dense/overcrowded stands
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3.25 Build/communicate pro-business attitude in govt
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3.23 Reduce government regulations
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3.30 Expand air service throughout Oregon ($$)
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3.24 Revamp land use laws to permit more development
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3.31 Publicly funded venture capital for start-ups ($$)
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Appendix E
State and Regional Industrial Development Preferences

Table 1: Which traditional industries should be maintained and improved?

State		South		WillV/NCoast		Metro		East		Central	
Logging/ timber	36%	Logging/ timber	50%	Logging/ timber	39%	Logging/ timber	27%	Logging/ timber	49%	Logging/ timber	45%
Agriculture	20%	Agriculture	18%	Agriculture	20%	Agriculture	19%	Agriculture	25%	Agriculture	24%
Fishing/ fisheries	11%	Fishing/ fisheries	11%	Fishing/ fisheries	11%	Technology	14%	Fishing/ fisheries	11%	Fishing/ fisheries	12%
Technology	9%	Manufacturing	9%	Forestry	8%	Fishing/ fisheries	10%	Energy	9%	Manufacturing	10%
Manufacturing	9%	Forestry	7%	Manufacturing	7%	Manufacturing	10%	Manufacturing	7%	Technology	7%
Forestry	7%	Tourism	7%	Technology	6%	Forestry	8%	Tourism	7%	Forestry	7%
Tourism	6%	Shipping/ freight	4%	Tourism	6%	Tourism	5%	Mining	6%	Tourism	6%
Clean/environ	3%	All industries	4%	Computer/ IT	4%	Clean/ environ	4%	Healthcare	5%	All industries	5%
Computer/ IT	3%	Technology	3%	Clean/ environ	3%	Computer/IT	4%	Technology	4%	Clean/environ	3%
All industries	3%	Clean/ environ	3%	All industries	3%	Energy	4%	Forestry	4%	Small business	3%
Energy	3%	Education	3%	Wood products	2%	Clothing/textile	3%	Wood products	4%	Healthcare	3%
Wood products	2%	Computer/ IT	2%	Nat. resource	2%	All industries	3%	Nat. resource	4%	Energy	3%
Other responses	≤2%	Other responses	≤2%	Other responses	≤2%	Other responses	≤3%	Other responses	≤3%	Other responses	≤3%

Table 2: Which emerging industries should Oregon try to attract?

State		South		WillV/NCoast		Metro		East		Central	
Technology	28%	Technology	22%	Technology	27%	Technology	30%	Technology	21%	Technology	32%
Solar energy	6%	Solar energy	9%	Solar energy	7%	Green energy	6%	Solar energy	11%	Manufacturing	6%
Clean/ green	5%	Wind energy	7%	Clean/green	6%	Alternat. energy	6%	Wind energy	8%	Health/Medical	5%
Green energy	5%	Manufacturing	6%	Green energy	6%	Clean/green	5%	Creates jobs	7%	Net/Web/ Software	5%
Manufacturing	4%	Health/Medical	6%	Wind energy	5%	Manufacturing	5%	Timber/forest	6%	Tourism	5%
Wind energy	4%	Tourism	6%	Computers	5%	Net/Web/ Software	5%	Net/Web/ Software	5%	Clean/green	4%
Alternat. energy	4%	Computers	5%	Health/Medical	4%	Solar energy	4%	Clean/green	4%	Wind energy	4%
Health/ Medical	4%	Electronics	5%	Schools/ education	4%	Health/ Medical	4%	Manufacturing	4%	Alternat. energy	4%
Net/Web/ Software	4%	Clean/green	4%	Manufacturing	3%	Creates jobs	4%	Trade (imp/exp)	4%	Electronics	4%
Computers	4%	Alternat. energy	4%	Alternat. energy	3%	Renew. energy	4%	Renew. energy	3%	Biotech	4%
Creates jobs	4%	Net/Web/ Software	4%	Creates jobs	3%	Wind energy	3%	Schools/ education	3%	Data/cloud serv.	4%
Tourism	3%	Energy – unspec	3%	Hydropower	3%	Computers	3%	Small business	3%	Schools/ education	3%
Renewable energy	3%	Hydropower	3%	Tourism	3%	Environmental	3%	Telecomm.	3%	Solar energy	3%
Other responses	≤2%	Other responses	≤3%	Other responses	≤2%	Other responses	≤2%	Other responses	≤3%	Other responses	≤3%

APPENDIX B

239 NW 13th Ave., #205
Portland, OR 97209

503.220.0575
www.dhmresearch.com
@DHMresearch

November 26, 2013

To: Nathan Rix, DAS
From: DHM Research
Re: DAS HB2620 Large Group Discussion—Economic and Community Development Services: Delivery Problems and Realignment Concepts

This memorandum summarizes the major topics discussed in the large group discussion about HB2620 held in Salem on November 13, 2013, including identification of service delivery problems and ideas for solutions. Although we broke the groups out into sessions on business retention/business services and land use/infrastructure, many of the issues were common to both areas. In what follows the breakout sessions are identified as "BRSB" (Business Retention/Business Services Breakout) and "LUIB" (Land Use/Infrastructure Breakout).

Major Issues—Summary

1. Coordination of funding sources.
    a. Funding sources are complex and involve different rules, restrictions, and limitations. They are difficult to piece together and manage in the kinds of time frames needed to respond to business infrastructure and recruitment/retention issues.
    b. The state's desire to be responsive to all parties leads to a strain on resources, which are limited. A "peanut butter" effect develops, i.e., spreading a fixed amount of resources too thin. Other consequences are fragmentation of effort (distribution of similar or overlapping responsibilities among multiple agencies) and poor service to the end user, who is confused and slowed down by the government process.
    c. It's not necessarily that the funds aren't there—it's the internal difficulty of getting to them. "Any deal that I'm working on is only as good as my ability to get through a procurement process or get through an agreement process. . . . Our ability to be nimble and responsive is a huge challenge when it comes to delivery."
        - From the user's perspective: "As a user, we honestly have dialogue about, 'Are we going to engage in this grant program or this resource program with this state agency? Do we have the 12 months for this to go through [the process]?'"
        - "The funding programs that we have, while we have made some improvements, they're so far out into the future. It doesn't really meet the needs on the ground today. So, we think about kids not being able to walk to school, and the fact that the sidewalk may make that better. And then they have to wait another eight years to get that."
        - It's difficult to get funds to solve small problems that might not fit into larger categories. "You're on the ground talking to people and they have this problem and you think, 'Ugh, if I had $5,000 I could [solve it].'"
2. Lack of capacity, difficulty identifying needs and solutions, unawareness of programs.
    a. "My number one, number two, and number three issue is capacity. Local government doesn't have the technical capacity to apply for the funds or they don't know what the funds might be."

b. "We have two different populations we're talking about: Those that are knowledgeable about the process and those that aren't. So, I spend most of my time with people that aren't. And what I see there is just a lack of knowledge about what is out there."
c. "In small communities, rural communities, 4,000, 5,000 people, there are people where they are actually building flex space for businesses, land setup, and they have no money to really market the product they have." (BRSB)
d. Even the RSTs themselves: "I think that in many cases even Regional Solutions Teams don't realize there is quite a bit of capacity out there that can be used with the public, with the business community."

Key Ideas to Resolve Issues—Summary

1. Be more flexible in the use of resources, more nimble in response, and able to act more quickly.
    a. Commit resources in advance so projects that cross agency boundaries can keep moving forward smoothly.
    b. Develop a fund that could behave more like private capital. E.g., a "5% rule" whereby each agency contributed 5% of its resources into a special pool, or a "SWAT team of funds": "Something different that is big enough that we can deploy on to big strategic projects, but that is so unencumbered with strings attached and red flags that we can be nimble and agile with it."
        - "We've got the resources we need to get there, but we're not aligning them correctly. I think that's a fairly easy fix. The alignment of resources, the site readiness fund, the 5% rule, they're all getting at the same thing, which is there are some simple things we need to do around planning and infrastructure provision to have land that's ready for employment."
    c. Create a state authority with real estate powers to aggregate individual parcels and resell.
    d. Allocation and alignment of resources towards site readiness needs to be done in a market sensitive way with an eye toward rate of return.
        - "Basically you need to put a market overlay on this. . . . There needs to be a market evaluation that goes along with this investment and understanding what the market potential is for that community, understanding the types of companies that are either expanding or locating there. I mean a very good sense of market viability, just like a private developer would."
        - Focusing on rate of return "doesn't mean it wouldn't vary, but that we look for ways to start evaluating the work that we do, the investments we make, at the rate of return arena around the market and business."
        - Should the state or RSTs play an advocacy role or merely a support role? There's a big difference in what might be achieved, but politics will play a role. It's a question of mindset. Does the state care about rate of return and push for that, or sit on the sideline and provide support?
2. Provide more of a one-stop shopping experience (or, in the lingo of the day, "speak with one voice") to achieve better communication within state agencies and between the state and those it serves, greater clarity on needs, and better service.
    a. Rework the boundaries of the Regional Solutions Teams (RSTs) to ensure alignment with departmental/agency/program boundaries.
    b. Consolidate programs to streamline the end user's experience. "Coordination of agencies is really important. We get ourselves caught between agencies all the time. You have divergent objectives and mandates that conflict with each other, and we are the one in the middle going, 'And what should we do?'"
    c. It's confusing to businesses/end users to have economic development personnel distributed throughout several agencies, and also for those people to have both development and enforcement roles.

d. Cultivate "the concept of one voice. . . . So when we're representing the state for improvement or retention that we've got a clear, simple message for those recruits. They are not going to have to muck around with a bunch of bureaucracy and government. . . . And that one voice goes and gets the help. It doesn't say, 'You go get the help.'"
e. More training/understanding about one's own and other agencies. "So, knowledge, whether it's each agency being in knowledge of others, sharing information between agencies, training, seems to be a pretty big issue."
    - "It's the most inexpensive" way to address the coordination problems.
    - "Increase interagency knowledge or increase knowledge about different processes from agency to agency."
    - "In addition to that, a new employee training program where it really just focuses on customer service."
f. State government is a large employer. It should see itself as being in the workforce development business, not only for the private sector but for itself. Draw on people going through the unemployment process.

3. Market state programs so people know what is out there.
    a. Build a centralized database so people can, e.g., find out about certified industrial sites. There was discussion of Project Agora, PortlandMaps, and the present lack of a centralized database of program and site information.
    b. Provide support and marketing from the perspective of what different communities in different regions of the state with different levels of expertise will need to get through the process. "Packaging things more tightly for communities, different types of communities, because what a large community needs is different from what a small community needs. So, what are the kinds of information they need and technical support they need?"
    c. Should the state work with the private sector to market its programs and information, or develop an internal system? "If I want to find something about ODOT, if I want to learn about something or find a place or a site or a topic, I go and I Google or Bing or use a search engine to find what I'm looking for, because it's much more effective and efficient in figuring out what I want to know. And I'm just wondering what is the lesson here about our relationship with the private sector in helping us do this." (BRSB)
4. Caveats:
    a. Make sure RSTs are not a way to undermine existing law or divest authority from state agencies.
    b. "I think that it's really important to approach business development, or community development, or whatever you want to call it, with the three-legged stool in mind. That it should be economy, environment, and the social/cultural values that those things provide and the solutions are aligned with all three of those things in mind."
    c. "I would add to that that it should be a very public process."

Elaboration of Problems, Needs, and Ideas—Quotes from Breakout Discussions

1. Need for "access to capital for early-stage companies or entrepreneurial ventures." (BRSB)
    a. Related financial resource needs include matching other funding sources, e.g., federal grants; helping companies deal with regulatory issues; helping small communities leverage additional dollars, e.g., through matching funds.
    b. Provide "funding assistance for businesses to address regulatory requirements, such as wetlands, transportation impact, land use study requirements, sediment analysis, Endangered Species Act, etc." (BRSB)
    c. "I see the issue as, 'The appetite for risk is what?' . . . You have to have a much larger appetite for failure.'" "And there is political pushback on that."
        - Maryland, Ohio, Texas "are throwing billions of dollars at early-stage entrepreneurial investment-oriented initiatives and funds." By comparison,

Oregon's $3M seeded Investment Board "doesn't even sniff or scratch the surface of anything on even a regional or local economic development level."
    - Example: Oregon is investing $75-80M in programs that are expected to yield a return of $20-25M. Instead we should "put [the money] into funds that have some kind of an evergreen approach to them that can revolve, that can see some kind of an ROI come back. Then you can take those returns and reinvest them or redeploy them in a manner that would generate additional ROI back to the state."
  d. In connection with this discussion it's important to note that OVB results re providing publicly funded venture capital for startups were close to rock bottom on the economic development priority list (just above revamping land use laws to permit development).
2. Need to focus on slightly larger businesses. Oregon has lots of assistance for the 0 to 5 or 10 employee size, but less once a business is 10+. "And that is where these businesses are in place where they're either a growth or a retention opportunity, and they really just don't have the capacity internally" to focus on strategic or structural issues. "And that is a place that I think additional resources could be employed. And you would see a reasonable return on your investment as well." (BRSB)
3. Use of resources—the peanut butter problem (BRSB)
  a. "Our state does a really good job of peanut buttering resources. We take a finite amount of resources, we spread it as thin as possible to satisfy as many people as we can, and we miss out on the opportunity to actually have meaningful programs and resources that achieve that objective."
  b. "I agree with you in terms of your peanut butter comment, and yet we have a really hard time as a state or even individual agencies thinking about, 'Okay, well, we're going to aggregate our resources and manage them in a more effective, efficient way, and not do this and do this instead.' It seems like we end up always kind of just adding other stuff on top and getting even more peanut butter."
  c. In the states where they're investing in entrepreneurial activity "there is a leadership will there to make the programs work." "Unless there is a leadership to pull all these programs together and say, 'Yes, we understand there is a risk with this; however, it's okay to give money to the private sector,' we are going to keep peanut buttering."
4. Too much crossover between agencies ("what, ten different agencies that do economic development?") and the need for consolidation.
  a. Some of the confusion may be semantic and able to be addressed by changing names and titles or clarifying missions. "Having five or seven different agencies doing economic development confuses the end-user. To me, it's as simple as saying, 'Define what economic development is,' and if they're not doing what that definition is, then make them change their titles. It's not reinventing government. It's making it more clear to the people on the ground."
  b. In cases of more substantive issues consolidation of agencies or programs may be necessary. While this would increase power and flexibility, it would require significant legal changes. The states mentioned for comparison have figured out a way "to be nimble and to meet business needs without having to go through a legislative process to get there." (BRSB)
5. Ideas re land use, infrastructure development, and site certification (LUIB)
  a. On the land readiness side (as opposed to site certification): The state needs an industrial development authority, i.e., the ability to aggregate land that may be held in numerous parcels by numerous owners into an industrial site.
  b. Need for patient capital to enable the development/readiness of a land site before having a private sector "bird in the hand" to move onto it. "It's the ability to have something ready to compete in the marketplace, and then you can figure out a payback system so it's not just a grant in an investment program." "[The sites] have got to be truly ready. They've

got to be whatever the marketplace demands, not whatever benchmarking agency says is as far as we take it."

c. "Then the other part is having an expanded real estate function at the state for industrial development purposes."

d. "One of my thoughts was expanding existing efforts to consolidate the permit process and creating the one-stop shop. Have an online portal for individuals and businesses and different entities to find out, not only the permit processes and where do you go for different things, but I think there could be either a separate or a corollary site for funding resources. Something that's more like a, 'I am a business and I want to do X.'"

e. "5% of each state department has to be dedicated to infrastructure and planning-related projects."

6. Learning about one's own agency and other agencies to be better able to serve the public.
    a. "I think a lot of what we can do is really through the process of in-house employee training and also new employee orientation. . . . We need to learn about ourselves and we need to learn about other agencies. So that when somebody calls us thinking we're the department of something else, we don't say, 'That's not us. We say, 'Here's who you need to talk to. Here's what they're capable of providing.'" (LUIB)
    b. This is a big issue in light of the aging government employee pool: 50% of employees are going to be new in the next three to five years.
    c. "Some sort of information sharing network for state agency staff. . . . somehow creating that sense of a network and that sharing opportunity." (LUIB)
7. Ideas re business retention/business services (BRSB)
    a. Assemble master database of GIS and other information to track site readiness and/or needs to become ready for use within X number of days.
        - E.g., PortlandMaps: "It gives you every possible layer of information on the area. It gives you what programs exist in certain boundaries. It's a clearinghouse of local government programs. It gives you maps to all the infrastructure that preexists, so your water mains and all that, even permits. You can drill down. And capital improvement projects, so anything that is planned for the area, your TSPs and whatnot. And then it gives you a bunch of demographical information, because all of that is there. All this data is collected, and you can pay for it. It has got zoning maps, all the different road/river/rail access."
        - Advantages: Shows site readiness and (added value on the business retention side) available programs related to the site, such as enterprise zones, development service areas, plus any constraints to the site, such as permitting issues or last DEQ checks.
        - Agencies would be responsible for listing programs in the database.
        - Orient towards "what businesses want in the way of information and how they want it, how can we make it available quickly and easily."
    b. Similar to the 5% rule that came up in LUIB: "We could identify a certain amount or percentage of funds administered by all the different agencies involved in economic development that could be targeted towards regional priorities and be more flexible, be more nimble."
        - "So, you just have to look back and see what the state needs and develop a finance authority that helps meet those regional initiatives. It's just an aggregation of resources that can be more nimbly deployed."
    c. State programs need to speak with one voice and be less confusing to the end user. "And the example for me is so many times I have done it, and I hear our business guy doing it. He will be working on a deal, and he will say, 'Oh, but I can't do that until I get ODOT…' Or, 'Until ODOT does this, or DEQ does this or does that.' Wait a minute. The one voice, the one person that is on point should be saying, 'Hey, we need to figure this out. The

state will come back with an answer and get this resolved,' not start passing the buck around."

8. The environment needs to be a part of the economic development discussion from the beginning, not regarded as an impediment or hurdle to be jumped down the road. We need to get "the right people on board to talk about environmental solutions when you're talking about economic development and not [make] 'the environment' a bad word when we're talking about the economy." (BRSB)

Issues and Ideas re Regional Solutions Teams and Process

1. Cultivate can-do leadership—determination and energy, not satisfied with going through motions and having more meetings.
2. Staff evaluations need to look not only at satisfying state criteria, but at how much people are contributing to getting things done on the regional priorities list.
3. "Having problem-solvers, having a culture of getting to 'Yes.'"
    a. The Regional Solutions Teams seem to have this culture, but they are a small fraction (".0000-something percent") of the regulatory and approval environment.
4. RSTs should not be a way to undermine existing law or divest authority from state agencies.
    a. E.g.: attempts to take permitting and/or regulation authority away from water resources department. (LUIB)
    b. There's a tendency to go to, e.g., LCD, and ask, "What rules can you bend? What rules can you make go away?" (LUIB) I.e., the issue isn't just about streamlining the process—we need to make sure the reason the rules are there remains in view and is respected.
5. Create more RSTs with smaller geographic areas. Some are much too big to develop local capacity and trusted working relationships. (LUIB)
6. Fragmentation of effort; lack of alignment of regional boundaries between RSTs and other agencies. "Our regional boundaries for our business lines don't agree. So, one day they may go to a business infrastructure finance person out of Business Oregon who is not out of that Regional Solutions team." (BRSB)
7. There need to be "'specific job duties and outcomes related to Regional Solutions or achieving regional priorities,' because what we have seen in some of the centers is that yes, we have staff from a variety of agencies. But they're sitting at their desks doing the same work that they would have been doing if they were back at their home office. So, it's not necessarily getting to that alignment that we are hoping for." (BRSB)
8. "The other thing is to look to assign more resource centers full-time." This addresses a problem of divided job responsibilities and priorities and "would create more of a one-stop shopping center for local businesses."
9. Are the RSTs (and the state) in a support role or an advocacy role? "We as government, as state, what is our role? Is it a support role or is it an advocacy role? What should ODOT be doing to support the retention and marketing of businesses? And I mean that beyond providing infrastructure. I mean that beyond getting out of the way with our regulations and our police work, right? Should we have a mindset that we are also in the recruiting and retention business?" This ties into rate of return: are we making investments and standing aside, or actively in pursuit of success?
10. Re better coordination and alignment of resources:
    a. Teams need the ability to reallocate existing resources to address the identified regional priorities. (LUIB)
    b. "Again, I'll emphasize that I think the resources are there. It's getting them sequentially committed to follow through to get to the end of the road."

c. E.g., when there are restrictions on certain resources, such as gas tax money: "It would be great if there was a little exchange portal or something . . . If you have a need that's transportation related, then we could swap those resources." (LUIB)
d. Too often now getting things like this done "is based on personal knowledge and how you can work the system to make that happen versus a process or a guideline or a strategy on how to do it." (LUIB)
e. There needs to be a database with information about funding and ways to exchange/increase flexibility—"Flexing funds across agencies." (LUIB)

Additional needs

1. Bonding authority to assist smaller communities with big infrastructure needs, communities that are too small to raise the capital on their own but that can at least participate in paying it back. (LUIB)
2. Workforce development, especially in high-tech fields. A discussion in BRSB acknowledged how important it is and mentioned creative ways in which private companies were partnering with educational institutions.
    - "We need to have the expertise in Oregon to support the evolution of technology around our business. It's infrastructure. It's a lot of things that support the way we see ourselves doing business in the future that we could pay attention to. And we need the expertise, actually, to serve ODOT. We are starting to shift our mindset around—instead of building more lanes for highways, building more communication and technology infrastructures into our systems because that is the future. So, are we staying in front of that? Our own ability to continue to be effective is going to be tied to not only the construction business world, but also the high-tech business world."

APPENDIX C

OREGON SOLUTIONS NETWORK
PRIORITIES IDENTIFIED BY REGIONAL ADVISORY COMMITTEES
As of December 10, 2013

North Coast Region (Clatsop, Tillamook and Columbia counties)

- Exploit opportunities in areas such as marine based industry, tourism, small manufacturing, forest products, agriculture and aviation
- Encouraging business incubation, manufacturing and new technologies by assisting start-ups and entrepreneurs
- Improve the readiness of industrial land by addressing wetlands, transportation access and infrastructure needs
- Increase the number of sites that have building-ready status
- Encourage creation of quality industrial flex-space
- Review, streamline and address regulatory impediments to economic development
- Work with rural communities to plan, fund and install needed infrastructure
- Bring regional support to ongoing Oregon Solutions projects

Mid-Valley Region (Marion, Polk and Yamhill counties)

Primary Goal: Become a center for Agri-business innovation and agri-tourism

- Promote regional workforce development opportunities
- Increase business capital for existing and emerging businesses
- Explore passenger and freight rail opportunities
- Expand agri-tourism opportunities which highlight local produce, viticulture/winery operations, and visitor hospitality amenities
- Enhance programs that encourage business retention and expansion
- Engage in local government infrastructure assessments

South Valley (Benton, Lane, Lincoln and Linn counties)

- Support rapid rail route selection
- Increase number of certified industrial sites (i.e. Goshen)
- Develop South Willamette Valley Research Corridor leveraging academic, government and business resources (RAIN)
- Strengthen workforce development programs, opportunities and infrastructure
- Explore wetlands permit streamlining
- Support local government infrastructure assessments

OREGON SOLUTIONS NETWORK
PRIORITIES IDENTIFIED BY REGIONAL ADVISORY COMMITTEES
As of December 10, 2013

South Coast: Umpqua (Coos, Curry and Douglas counties)

- Active forestry management on O & C timber lands
- Regulatory streamlining, regulatory technical assistance
- Enhance marine, rail and telecommunication infrastructure
- Business retention, expansion and creation
- Build on recreation economy
- Access to natural resources, support of natural resource economy
- Alternative energy development

Southern Region: Rogue Valley (Jackson and Josephine counties)

- Active forestry management on O & C timber lands
- Maintain and enhance forest industry infrastructure
- Business retention, expansion, creation and recruitment
- Regulatory streamlining
- Water conservation and stream restoration
- Workforce training

Metro Region (Multnomah, Washington and Clackamas counties)

- Serve 911/quick response function for development projects
- Management of public lands to meet local economic and community development needs
- Expand international trade
- Grow the region's distinctive industry clusters
- Support the growth of new ventures
- Coordinate business recruitment efforts
- Build the region's economic research capacity
- Align workforce and economic development priorities
- Protect and enhance the region's key strategic assets
- Help support the Community Investment Initiative
- Support the developable land inventory
- Improve equity of economic opportunities

OREGON SOLUTIONS NETWORK
PRIORITIES IDENTIFIED BY REGIONAL ADVISORY COMMITTEES
As of December 10, 2013

North Central Region (Wasco, Hood River and Sherman counties)

- Infrastructure focus on waste water, utilities fiber optic networks and public transportation
- Providing support for business clusters
- Work force training
- Work force housing
- Availability of industrial land
- UGB expansions in the National Scenic Area and need for clarity from Columbia River Gorge Commission
- Regulatory integration/streamlining initiatives (wetlands)

Central Region (Jefferson, Crook and Deschutes counties)

- Establishment of four year university (OSU Cascades)
- Job retention and growth; respond to emerging opportunities
- Ensure that the region has land and infrastructure available to retain/attract employers
- Water availability
- Sewer infrastructure
- Central Oregon Transit System
- Strengthen regional agriculture
- Improve forest health and increase access to timber resources

South Central Region (Klamath and Lake counties)

- Infrastructure: Hwy 97 expansion, Hwys 140, 31 and 395; drinking water; sewer systems; rail upgrades; airports; water storage; natural gas
- Work force training
- Availability of industrial land
- Business retention and expansion: existing wood products industry, new industries, support for entrepreneurship
- Renewable energy development
- Air quality; resolve nonattainment issues
- Access to natural resources
- Veterans and senior housing

OREGON SOLUTIONS NETWORK
PRIORITIES IDENTIFIED BY REGIONAL ADVISORY COMMITTEES
As of December 10, 2013

Greater Eastern Region (Gilliam, Wheeler, Morrow, Umatilla, Grant, Harney and Malheur counties)

- Increased productivity from federal forest lands
- Water management and development
- Skilled workforce availability
- Workforce housing
- Infrastructure to serve industrial sites
- Regulatory technical assistance
- Avoid/Mitigate Sage Grouse Endangered Species Act listing
- Marketable industrial land
- FEMA National Flood Insurance Program changes
- Mining/Metals extraction
- Unmanned Aviation Vehicle industry

Northeast Region (Union, Baker and Wallowa counties)

- Increased productivity from federal forest lands
- Skilled workforce availability
- Marketable industrial land
- Available infrastructure to serve industrial sites
- Value-added agriculture
- Support regional vertical integration opportunities
- Regulatory technical assistance
- Mining/Metals extraction
- Regional business recruitment marketing strategy
- USFS 39 Road
- Entrepreneurial development
- Business succession/transition to next generation

APPENDIX D

WATER

The availability of water is a priority in several regions of the state. Where this priority exists there are stakeholder groups working to address the current and future needs of agriculture, instream, economic development and municipal uses. Examples of this include the "Water for Irrigation, Streams and Economy" (WISE) project in southwest Oregon, the Columbia River Umatilla Solutions Task Force (CRUST) in northeast Oregon, and the Deschutes Water Planning Initiative (DWPI) in central Oregon. These efforts have the potential to help implement Oregon's Integrated Water Resources Strategy (IWRS), which aims to facilitate a place-based approach to integrated water resources planning to meet current and future water needs. Additionally, the IWRS recommends that the state authorize and fund a Water Supply Development Initiative. To implement this recommendation, the Oregon Legislature enacted Senate Bill 839 (2013). The Governor's Office, along with the Water Resources Department and other state agencies, are working to implement SB 839. Because there are already multiple stakeholder groups involved in this effort, the HB 2620 Steering Committee recommended relying on the work of these groups to align the grant and technical assistance resources to address this priority.

Grant/Funding Programs:

Current ideas for implementing SB 839 include developing an interagency water supply team consisting of representatives of the departments of Water Resources, Agriculture, Fish and Wildlife, Environmental Quality, Business Oregon, Infrastructure Finance Authority, and the Regional Solutions Program to develop and implement Oregon's Water Supply Development Initiative. The diverse missions of the above named agencies would promote a balanced approach and help ensure that water is developed for both instream and out-of-stream uses. Additionally, the expertise represented by these agencies would be key to ensuring that environmental values are protected as new supply is being developed, and to drawing in additional financial and community resources. Similarly, Regional Solutions Teams and Coordinators can be a resource for prioritizing opportunities and engaging and leveraging local resources. The Water Resources Department will be conducting rulemaking in 2014/2015 for the SB 839 grant program and will identify opportunities to integrate Regional Solutions into the scoring and ranking criteria.

The Department has reviewed past studies funded by SB 1069 Feasibility Grants and the program's existing grant criteria. A cursory analysis of previously funded SB 1069 grants reveals that about half of the funding went to projects that were supportive of a regional priority. Despite the fact that the program does not specifically allocate points based on projects meeting regional priorities, the program has resulted in a significant portion of funding being directed to regional priorities. This is likely due in part to the scoring category that provides points to projects that have an appropriate level of interest, involvement, and/or commitment from local, regional or state entities.

The Water Resources Department will pursue modifying the SB 1069 grant scoring and ranking to provide points if the project furthers a Regional Solutions priority, or results from a collaborative planning effort such as one conducted by Regional Solutions, or through a place-based planning effort described in the Integrated Water Resources Strategy (IWRS). This will ensure that the program continues to direct a significant portion of funding to regional priorities, while providing opportunities for other projects statewide.

Additional recommendations for Oregon Water Resource Department (OWRD) to align grant programs with regional priorities using existing resources:

- Establish a statewide email notification list for grant programs.
- Provide notice to Regional Solutions coordinators and teams when a grant program is recapitalized, when an agency begins accepting grant applications, and when a grant program deadline is approaching.

- Implement a place-based approach to integrated water resources planning, as called for in the statewide Integrated Water Resources Strategy. Incorporate Regional Solutions teams into place-based planning efforts to the maximum extent practicable.

Technical Assistance Capacity

The Oregon Water Resources Department currently has five regional managers that attend Regional Solutions meetings and participate in Regional Solutions projects as necessary. These managers are also essential in daily operations of the Department, and their regional boundaries are based on watersheds in order to ensure the effective management and distribution of water resources. A survey of OWRD managers' found that when a project has a water-related component, managers are effective at working with the Regional Solutions teams to identify options and shepherd projects through the water rights process. With additional resources, OWRD could increase its capacity to participate in Regional Solutions meetings and centers.

The Department has identified several different ways in which it could utilize existing and additional resources to further Regional Solutions priorities. The Department believes that it could enhance its participation in Regional Solutions and facilitate more coordinated regional planning by leveraging its Water Supply Development Team and adding Regional Solutions coordinators to its staff.

The new Water Supply Development Team consists of two staff employees that will be focused on identifying, developing, and evaluating water supply projects, as well as helping to carry out the grant and loan functions under Senate Bill 839. The Water Supply Development Team will provide much needed resources to focus on water supply solutions, but will not have the capacity to attend and engage in Regional Solutions programs across the state.

Adding OWRD Regional Solutions coordinators could create the capacity for greater participation in Regional Solutions. The coordinators could attend Regional Solutions activities and serve as a liaison between Regional Solutions teams, OWRD region managers, and OWRD programs at the central Salem office. In this regard, they could coordinate department permitting, technical assistance, grants and planning functions to focus various departmental resources in a manner that identifies and implements solutions for Regional Solutions priorities.

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