

ECONOMIC REVITALIZATION TEAM

Annual Performance Progress Report (APPR) for Fiscal Year (2007-2008)

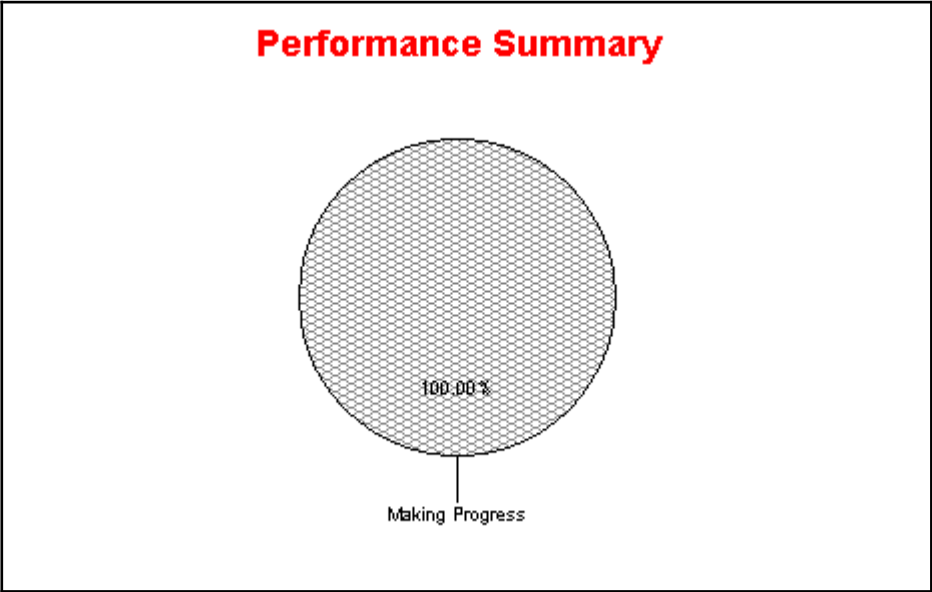
Proposed KPM's for Biennium (2009-2011)

Original Submission Date: 2008

2007-2008 KPM #	2007-2008 Approved Key Performance Measures (KPMs)
1	CUSTOMER SATISFACTION - Percent of participants (customers) who rate the ERT process very good to excellent.
2	CERTIFIED INDUSTRIAL SITES - Number of new industrial sites / acres certified as "project ready".

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ECONOMIC REVITALIZATION TEAM		I. EXECUTIVE SUMMARY	
Agency Mission: To help local government and businesses increase economic opportunity and help state agencies improve service delivery by focusing on customer service, partnerships and results.			
Contact: Christine Valentine		Contact Phone:	503-986-6522
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1. SCOPE OF REPORT

Economic Revitalization Team (ERT) services addressed by key performance measures: The ERT has five regional coordinators deployed around the state. They serve as Governor’s Office Ombudsmen to local governments and businesses. In this role, they facilitate state agency and state-local government coordination on high priority local economic and community development projects and state initiatives. (KPM 1 – Customer Service and KPM 2 – Certified Industrial Lands).

The ERT works in partnership with state and local agencies to increase the supply and marketability of industrial lands, including promoting certification of sites as “project ready.” (KPM 2 –Certified Industrial Lands) “Project ready” means a site is immediately available for industrial development, has utilities in place or plans and finances in place to provide utilities, is physically developable, and has no major transportation impediments.

The ERT's special projects coordinator and the Governor's Intergovernmental Relations Advisor, who serves as director of the ERT, work with ERT agency directors and key agency staff to ensure coordination of state service delivery on economic and community development. Progress on policy, program and process improvements are described in the ERT's biennial report to the Oregon Legislature.

2. THE OREGON CONTEXT

The ERT was established through House Bill 2011 in 2003. The high level outcome the ERT addresses is to increase Oregon's preparedness for economic development. The ERT manages for this outcome by facilitating a creative and collaborative problem-solving approach to economic and community development that supports efforts to build a forward-looking and resilient state economy and increases government efficiency by leveraging public and private resources and promoting intergovernmental and government-private partnerships. The ERT works closely with local jurisdictions throughout the state to increase community and state preparedness for economic development.

The ERT facilitates coordination of the following state agencies on high priority local economic and community projects and state initiatives: Oregon Economic and Community Development Department (OECDD), Oregon Department of Transportation (ODOT), the Department of Land Conservation and Development (DLCD), the Department of Environmental Quality (DEQ), the Department of State Lands (DSL), Oregon Department of Agriculture (ODA), Oregon Housing and Community Services (OHCS), the Department of Consumer and Business Services (DCBS), the Oregon Department of Energy (ODOE), and the Oregon Water Resources Department (WRD). ODOE and WRD were added to the state-level team in 2008 to allow the ERT partners to better address emerging issues related to energy and water supply. In addition, the ERT partners with the Association of Oregon Counties (AOC), the League of Oregon Cities (LOC), the Oregon Public Ports Group, the Special Districts Association of Oregon (SDAO) and METRO to develop a joint state/local legislative agenda on economic and community development.

ERT performance measures are related to the following Oregon Benchmarks (OBM): 1 – Employment in Rural Oregon, 2 – Trade Outside Oregon, 3 – New Employers, 4 – Net Job Growth, 10 – On-time Permits, 11 – Per Capita Income, 15 – Unemployment, and 35 – Public Management. However, data used to measure ERT performance under KPMS 1 – Customer Service and 2-Certified Industrial Lands do not directly correlate to specific benchmarks. The ERT performance measures are shared measures with other state agencies: KPM 1 – Customer Service is shared with DEQ, DSL, DLCD, & ODOT and KPM 2 – Certified Industrial Lands with OECDD and DSL.

3. PERFORMANCE SUMMARY

The ERT continued to make progress toward achieving the targets for its key performance measures: KPM 1 - Customer Service and KPM 2 - Certified Industrial Land. For KPM 1-Customer Service, the ERT continues to be viewed by stakeholders as providing valuable, timely assistance to local governments with economic and community development issues. The ERT again achieved a high-level of customer satisfaction, with approximately 85% of survey respondents rating the overall quality ERT services as good to excellent. The target for KPM 2-Certified Industrial

Lands was adjusted to its current form for reporting in FY 2006-2007 by the Joint Legislative Audit Committee (JLAC) for OECDD, the agency that administers the industrial site certification program. The target for FY 2007-2008 was for 12 sites a year to attain the “project ready” certification status, and 14 sites were certified in the year. The sites certified ranged in size from 15 acres to 320 acres, with 3 sites over 100 acres and 9 sites under 50 acres. There has been a trend since FY2005-2006 towards an increasing percentage of the sites certified being 50 acres or smaller; sites less than or equal to 50 acres = 40% in FY04, 39% in FY05, 77% in FY06, 67% in FY07 and 64% in this reporting period of FY08.

4. CHALLENGES

The ERT is constantly challenged by the need to form and maintain partnerships and facilitate communications across state agencies. The state organizational structure is designed such that the status quo is for agencies to operate in silos. The ERT is also challenged by the need to work with numerous local governments, with widely varying capacity for economic and community development work depending on size, resources, and related factors. The ERT must work across state agency and jurisdictional boundaries to maximize outcomes in an environment of limited resources, to improve Oregon’s readiness for economic development and strengthen the ability of local communities to achieve economic and community development goals.

Limited local, state, & federal funding and financing options for infrastructure improvements often present the biggest challenge to readying sites for development or certification. While efforts to obtain funding to extend sewer/water infrastructure to a site can significantly delay the certification process, obtaining funding for transportation improvements, when needed, is easily the most costly aspect of site certification. The ERT will continue to work with state and local partners to seek and support solutions to the funding/financing paucity for critical community and state infrastructure.

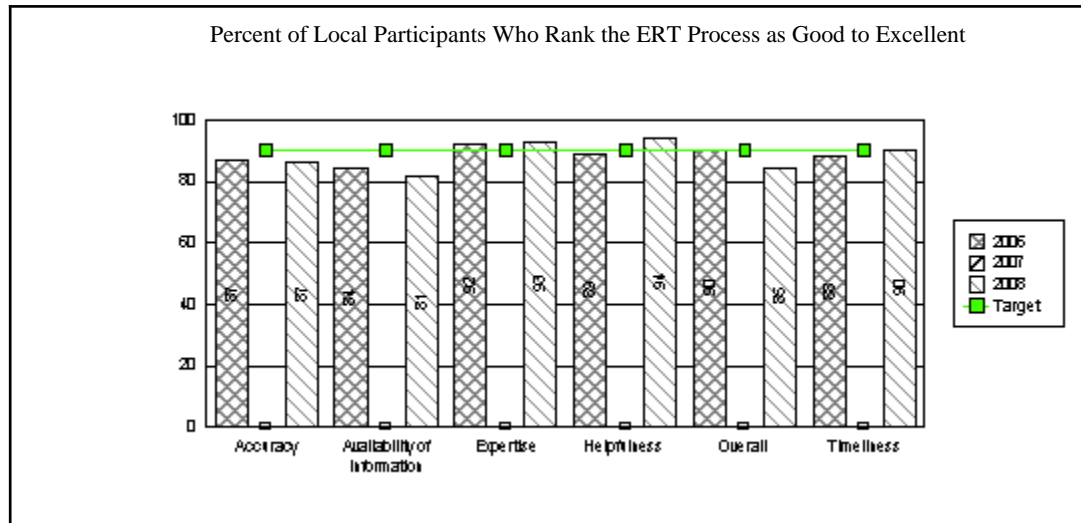
Other factors that may have influenced the number of industrial sites certified during FY 08 include: (1.) an ever changing economy where the need to have all the issues resolved on a site for it to be competitive and attractive to development varies over time; (2.) many of the 48 sites certified during the initial 4 years of the program may be considered the “low hanging fruit” and the remaining industrial zoned lands are more constrained and therefore more difficult to certify; (3.) some communities need to increase the supply of industrial zoned lands before they can have lands available for certification, and increasing the supply of industrially zoned lands either through expanding a local jurisdiction’s urban growth boundary (UGB) and/or by cleaning up former industrial sites for redevelopment are expensive and time consuming processes. The ERT, with OECDD in a lead agency role, may need to assess the various drivers further to ensure that the site certification program remains responsive to customer needs.

5. RESOURCES AND EFFICIENCY

The ERT’s bottom line budget amount for FY 08 is \$1,155,176. The ERT budget has been stable over the last several years.

All three of the ERT’s measures can be considered efficiency measures in that coordinated state agency service delivery creates opportunities to leverage state, local and federal resources for maximum benefit.

KPM #1	CUSTOMER SATISFACTION - Percent of participants (customers) who rate the ERT process very good to excellent.	2002
Goal	CUSTOMER SERVICE: Improve the quality and efficiency of delivering state services to local governments and businesses.	
Oregon Context	OBM 35: Public Management and ERT Mission	
Data Source	2008 ERT Customer Satisfaction Study, developed following the Recommended Statewide Customer Service Performance Measure Guidelines. ERT study was part of a joint customer service survey administered by the Oregon Department of Administrative Services. The survey is conducted on a biennial basis.	
Owner	ERT special projects coordinator: Christine Valentine, 503-986-6522	



1. OUR STRATEGY

The five ERT regional coordinators work at the local-level with teams of field staff from the following state agencies: OECDD, ODOT, DLCDD, DEQ, DSL, ODA, OHCS, DCBS, WRD, and ODOE. Together, these regional, interagency teams provide coordinated state assistance to local

jurisdictions and businesses on high priority economic and community development projects. This includes work on readying industrial lands for “project ready” certification and/or development.

2. ABOUT THE TARGETS

Targets for customer service remain set at 90% to serve as a motivator for improving state agency service delivery to local jurisdictions and businesses.

3. HOW WE ARE DOING

Overall, nearly nine out of ten local participants in ERT projects perceive the service provided as “good” and “excellent.” The ERT received the highest ratings in the area of knowledge/expertise and helpfulness of employees. This is evidence that customers view ERT representatives as experts in the field, and this goes a long way toward allowing the ERT to build and maintain trust-based relationships. At 81.4%, availability of information received the lowest rating; this rating was 84% in the 2006 customer satisfaction study. The difference between 2006 and 2008 studies for the availability of information rating is not deemed significant, but the fact that this area received the lowest rating again in the 2008 study warrants an examination of outreach/communications efforts that could be implemented either by the ERT office or through participating state agencies.

4. HOW WE COMPARE

Results from the 2008 survey are in line with customer satisfaction surveys the ERT conducted in 2002, 2004, and 2006 when overall ratings of good and excellent were at 84%, 87%, and 90%, respectively. The 2002 and 2004 customer satisfaction surveys preceded the Recommended Statewide Customer Service Performance Measure Guidelines so survey questions were not the same as the questions asked in 2006 and 2008. The 2006 and 2008 questions were very similar and thus can be more readily compared.

5. FACTORS AFFECTING RESULTS

For the most part, the ERT is asked to become engaged in local projects that are complex, and many of these projects have long standing issues that are beyond the scope of traditional and individual state agency processes to resolve. The high ranking of the ERT for customer service may be influenced by the fact that the ERT coordinators and the ERT process often play a key role in facilitating resolutions to tough issues and, in some instances, bringing a project that’s run into problems to a successful conclusion.

6. WHAT NEEDS TO BE DONE

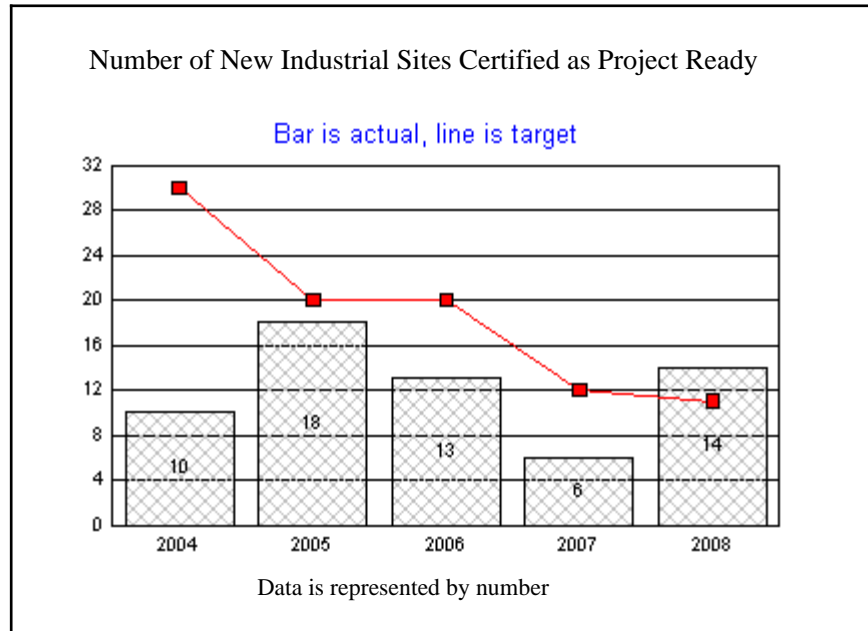
In the 2008 Customer Satisfaction Study, the ERT received the the lowest rating (81.4%, target of 90%) in availability of information. This was also the area of lowest rating in the 2006 Customer Satisfaction Study. Since the ERT coordinators often rely on state agencies to provide information to local government partners, the ERT has communicated and will continue to stress to the agency directors the need to improve access to information about state programs and processes. The ERT also will look for communication/outreach opportunities, either taken directly or via state agency partners, which could help to improve ratings in this area.

The ERT office will continue to stress the importance of customer service to all state agency participants, to further instill a culture of cooperation and problem-solving. This will hopefully result in improvement upon historical customer satisfaction ratings or at a minimum, maintenance of the ERT's high ratings for providing quality services.

7. ABOUT THE DATA

Since the cycle time for ERT projects ranges varies from a few months for siting a business to a year or more for readying an industrial site for certification (longer if the site requires extensive and expensive infrastructure or transportation fixes), the reporting cycle for customer service is biennially using Oregon fiscal years. The strength of the survey data is a high response rate of 53%. A potential weakness of the data is the relatively small sample size of 231 for the target population. A copy of the 2008 Oregon Economic Revitalization Team Customer Satisfaction Study is available by contacting Christine Valentine at 503-986-6522.

KPM #2	CERTIFIED INDUSTRIAL SITES - Number of new industrial sites / acres certified as "project ready".	2004
Goal	ECONOMIC DEVELOPMENT: Increase the supply of marketable industrial sites statewide.	
Oregon Context	OBM 1, 2, 3, 4, 10, 11, 15 and ERT Mission.	
Data Source	OECDD manages the industrial site certification program and tracks the number of sites certified and developed.	
Owner	ERT Special Projects Coordinator: Christine Valentine 503.986.652	



1. OUR STRATEGY

Industrial site certification is a tool that increases the state’s preparedness for economic development. Even though the industrial site certification program is administered by OECDD, readying industrial sites for “project ready” certification is a multi-agency, state/local collaboration. The ERT partners with OECDD, DLCDD, DEQ, DSL, ODOT, and other state agencies as appropriate, a host of local governments, and property owners to

facilitate efforts to remove barriers to certification.

2. ABOUT THE TARGETS

Because targets for this measure were set unrealistically high when the program was new and without a track record, an adjustment to the target from 20 to 12 sites a year was approved by the Joint Legislative Audit Committee (JLAC) for OECDD for FY 07. The target was maintained at 12 sites a year for FY08. OECDD is the agency that administers the industrial site certification program.

3. HOW WE ARE DOING

Fourteen (14) sites attained “project ready” certification status in FY 08, with a few additional sites nearing certification status at the end of the fiscal year. In addition, the percentage of newly certified sites that are less than or equal to 50 acres continues to remain notably high and the percentage of sites equal to or larger than 100 acres notably low.

Many of the sites that have been certified over time have been developed or are slated for development. Information on Oregon’s certified industrial sites are available to the public and company site selectors at <http://www.oregonprospector.com>

4. HOW WE COMPARE

Since only a few states have certification programs and no national standard for certification exists, comparison to other states is not possible. Given the collaborative, cross-jurisdictional nature of site certification, comparison of site certification to individual state agency processes or programs is also not advisable.

5. FACTORS AFFECTING RESULTS

Many of the 48 sites certified over the first 4 years of the certification program can be considered the “low hanging fruit.” The remaining industrial zoned lands are more constrained by physical, transportation, land use or other factors and therefore more difficult to certify. The fact that there are limited options for funding and financing public infrastructure improvements remains a challenge for many sites and can significantly delay the certification process. As the state population and traffic have increased and as state and local highway and road systems approach capacity in many parts of the state, options for easy or relatively inexpensive fixes to the state’s transportation system are becoming exhausted. Maintaining an adequate supply of industrially zoned lands to keep pace with development and/or changing market demands is also challenging for some local jurisdictions. Increasing the supply of industrially zoned lands either by expanding the urban growth boundaries (UGBs) and/or by cleaning up

former industrial sites for redevelopment is expensive and time consuming. In the Willamette Valley, certification efforts have been hampered because most of the remaining industrially zoned land is significantly impacted by the presence of wetlands. In addition, the basic task of information gathering required to complete the certification application is often difficult for smaller jurisdictions where inadequate staffing and/or high staff turnover remains an issue.

6. WHAT NEEDS TO BE DONE

Local/state/federal funding and financing options for public infrastructure need to be increased. The ERT will continue to work with state and local partners to seek and support solutions to the funding/financing paucity for infrastructure. Some specific examples of this work are as follows. The ERT, in partnership with DLCD and OECDD, is working with key communities to increase the supply of industrially zoned lands and bring more sites on line for certification. OECDD and DEQ need to develop more tools and incentives to motivate land owners to clean up and redevelop brownfields. ERT is working with DSL, OECDD and the US Army Corps as well as a number of local jurisdictions and non-profit and private partners to pilot a wetlands credit resale program for industrial lands in the Willamette Valley, where the demand for quality wetland mitigation credits outstrips the supply. The ERT also needs to work with key agencies to look at issues associated with the location and size of certified sites in comparison to market and community needs.

7. ABOUT THE DATA

The reporting cycle for number of industrial sites certified as “project ready” is by Oregon fiscal year. OECDD maintains the list of certified sites and works towards periodic recertification of the sites. A third party verifier determines when a site has met all the criteria to be certified.

ECONOMIC REVITALIZATION TEAM	III. USING PERFORMANCE DATA
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Agency Mission: To help local government and businesses increase economic opportunity and help state agencies improve service delivery by focusing on customer service, partnerships and results.

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The following questions indicate how performance measures and data are used for management and accountability purposes.

1. INCLUSIVITY	<p>* Staff : • ERT coordinators, agency liaisons to the ERT and some state agency field staff participated in a logic mapping exercise of the ERT process to evaluate the ERT’s existing measures and to determine where best to focus development of an ERT related measure for DEQ, DLCD and DSL as directed by agency budget notes.</p> <p>* Elected Officials: • None</p> <p>* Stakeholders: • None</p> <p>* Citizens: • None</p>
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2 MANAGING FOR RESULTS	<p>Responses to the 2008 Customer Satisfaction Study were shared with each of the five ERT regional coordinators and the ERT Director. Opportunities for improvement were discussed within the context of the 10 ERT regions and teams. The ERT office will also discuss the survey results with the directors of the ERT agencies.</p> <p>To maintain a multi-agency focus on economic development, the ERT coordinators meet regularly with OECDD and liaisons from the other ERT agencies to discuss issues and progress with industrial site certification and related issues. OECDD also generates regular status reports on sites in the certification queue that are shared with staff in the ERT agencies. Information for these reports is generated by the ERT coordinators in consultation with OECDD’s Business Development Officers (BDOs) and the other members of the 10 multi-agency regional teams that are active statewide. The ERT agency directors also receive updates on site certification and related issues at their monthly meetings.</p>
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<p>3 STAFF TRAINING</p>	<p>Beyond regular updates on progress toward achieving performance measure targets, regional ERT coordinators have not received any “formal” training on performance measures. The ERT Special Projects Coordinator has attended performance measurement trainings held by Department of Administrative Services.</p>
<p>4 COMMUNICATING RESULTS</p>	<ul style="list-style-type: none"> * Staff : • Results of 2008 Customer Satisfaction Survey were shared with state agency directors at their September 2008 meeting. Updates on industrial site certification and other key economic and community development issues are ongoing at the directors meetings and through regional ERTs. * Elected Officials: • Annual Performance Measure Report is posted to ERT website at: www.ert.oregon.gov * Stakeholders: • Annual Performance Measure Report is posted to ERT website at: www.ert.oregon.gov * Citizens: • Annual Performance Measure Report is posted to ERT website at: www.ert.oregon.gov