



Economic Revitalization Team Annual Report to the Governor

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Economic Revitalization Team

Annual Report to the Governor

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Overview

"A crisis is a terrible thing to waste."¹ Executive Order 03-02 is helping to turn Oregon's recent economic downturn, a crisis that reached into every corner of the state, into an opportunity. The Executive Order is positioning the state for economic recovery and creating permanent change in the way state agencies approach economic development.

The Executive Order also initiated a major transformation of the Community Solutions Team (CST) effort. By directing the CST agencies² and the Community Solutions Office to implement the "Shovel Ready Industrial Sites Initiative" as its first priority, the Executive Order set in motion a string of events that culminated in the passage of HB 2011. In addition to changing the name of the Community Solutions Office to the Governor's Economic Revitalization Team (GERT), HB 2011 supports Executive Order 03-02 and its refocus to industrial site certification and the streamlining of policies, programs, permits and processes that are part of the industrial development process (see Appendix A).

The impacts of Executive Order 03-02 and HB 2011 reach well beyond the eight state agencies that make up the Economic Revitalization Team (ERT). Though not often associated directly with economic development, agencies such as the Water Resources Department (WRD), the State Historic Preservation Office (SHPO), the Oregon Department of Fish & Wildlife (ODFW), and the Department of Geology and Mineral Industries (DOGAMI) are active participants in readying industrial sites for development. The shovel ready industrial lands initiative has helped state agencies to better understand their role in regard to economic development and how their actions can help or hinder the success of a local economic development project.

Executive Order Objectives

Executive Order 03-02 had the overall objective of positioning the state for economic recovery by increasing economic opportunity and facilitating job growth through retaining and expanding Oregon businesses and recruiting new businesses to Oregon. To achieve this overall objective, the executive order directed the GERT and the ERT agencies to complete the following four tasks:

- Establish an Industrial Lands Taskforce to evaluate concerns over the state's short and long term industrial land supply.
- Directs the ERT agencies, with assistance of the GERT, to implement the "Shovel Ready Industrial Sites Initiative" as its first priority including.
 - ✓ Develop an Industrial site certification process

¹ Quote attributed to Stanford Economist Paul Romer.

² The CST/ERT is composed of the following eight state agencies: the Department of Consumer and Business Service, the Department of Environmental Quality (DEQ), the Department of Land Conservation and Development (DLCD), the Department of State Lands (DSL), the Oregon Department of Agriculture (ODA), the Oregon Economic and Community Development Department (OECD), Oregon Housing and Community Services (OHCS), and the Oregon Department of Transportation (ODOT).

- ✓ Prepare legislative concepts that resolve industrial land problems
- ✓ Focus grant and loan programs to assist with industrial job creation
- Directs the Department of State Lands (DSL) to implement the pilot wetlands and industrial lands project
- Directs the ERT agencies to ensure that the actions and results of the “Shovel Ready Industrial Sites Initiative” are consistent with the Executive Order 03-01 on Regulatory Streamlining.

Progress to Date

Much has been accomplished in the 15 months since the signing of Executive Order 03-02 on February 20, 2003. Progress to date on each of the four tasks outlined in the Executive Order are summarized below:

I. Industrial Lands Taskforce

In February 2003 the Industrial Lands Task Force was established to address a widely held perception that many of the fastest-growing and economically critical areas of the state have not maintained an adequate supply of industrial land to meet the needs of a growing and prosperous state.

The thirteen-member Task Force held public hearings in the following five locations during the summer of 2003: Albany, Medford, Bend, Pendleton and Portland. In listening to the testimony of more than 250 citizens during this series of hearings, the Task Force learned that the industrial lands issue is intertwined with many other issues.

- Merely having industrially zoned land will not ensure economic recovery.
- Lands needs to be “available” at competitive prices and ready to be developed.
- Parcels also need to be of the right size and configuration and in locations where the market wants to be.
- Land use and permitting processes need to be simplified.
- Local governments and state agencies need to cultivate a “helpful” attitude toward development.
- The state needs to provide adequate financial assistance for infrastructure.

In short, Oregon needs to develop a national reputation, through action, as a state that’s “open for business.”

The Task Force published its report, *Positioning Oregon for Prosperity* (Appendix B), in October 2003. The report focuses on these key questions:

- What is “industrial land”?
- Is there a shortage of industrial land?
- What should be done to ensure an adequate supply of industrial land?

A report summarizing the implementation of the recommendations contained in the Task Force Report will be submitted to the Governor separately, later in 2004.

II. Shovel Ready Industrial Sites Initiative

The GERT office and ERT agencies have taken their charge, to identify and ready marketable industrial sites for development as their first priority, very seriously.

Creating an industrial site certification process and program has been a work in progress over the last year. It began on a number of fronts simultaneously. The GERT's five Regional Coordinators and the Oregon Economic and Community Development Department's (OECDD) Business Development Officers (BDOs) worked with local partners to create a statewide inventory of potential industrial sites, sites that are currently on the market and would benefit from being certified as "project ready."³ (Initial Inventory of industrial sites is attached as Appendix C). The process was developed with the business and site selection needs in mind.

At this same time, OECDD with help from the GERT and other ERT agencies developed a draft certification application form. GERT coordinators and the 10 multi-agency Regional Economic Revitalization Teams active around the state used the draft certification application to work with local governments and property owners on readying the first round of sites certification. In addition, OECDD's Community Development Coordinators gathered all the documentation required for certification into an application notebook to be sent to a third party verifier. The application was further refined with input from first round applicants.

As part of the certification process, agencies developed review processes for wetlands, environmental contamination, threatened and endangered plant and animal species, cultural resources, infrastructure and transportation capacity, etc. The work of implementing these review processes, which in many instances involved site visits, was a labor-intensive effort for the state agencies. Central staff at GERT and OECDD are working with the agencies to better coordinate and fine-tune the review processes.

The industrial site certification program is up and running. In April 2004, GERT directors approved 11 sites, totaling over 900 acres, for certification (List of Oregon's first Certified Industrial Sites is attached as Appendix D). Another 16 sites are in the queue to be certified in August 2004 and a third round of certification is planned for the fall of 2004. GERT and OECDD are working toward the goal of 50 certified industrial sites by June 30, 2005 – a performance measure both agencies share.

In addition to the industrial site certification process, the GERT is working on streamlining the process for industrial lands development. The GERT is staffing the Advisory Committee on Regulatory Streamlining established by HB 2011. The

³ A "Project Ready" certified site is ready for construction within six months or less after being chosen for development.

committee, composed of individuals familiar with state agency permit procedures and issues, are working with ERT directors and agencies to

- Evaluate the project permit process for streamlining opportunities
- Examine how transportation infrastructure restrictions and limitations impact industrial land development
- Increase coordination of all water related permits
- Review and update Land use Goal 9 on economic development
- Evaluate the public appeals process on business/industrial development

The advisory committee and the state agency directors will recommend changes to state agency statutes, rules, permits and procedures to the Governor and the Legislature in a report due January 30, 2005.

Industrial Brownfield Redevelopment Strategy

Recognizing the ongoing need for industrial land that is ready for development, the ERT directors identified industrial brownfields as a potential source of shovel ready lands. Industrial brownfields are existing industrially zoned sites where concerns over actual or perceived contamination is a barrier to re-use for industrial development.

To move this concept forward, the ERT directors asked that DEQ, OECDD, DLCD and GERT work together on drafting a strategy that would create an inventory of marketable industrial brownfield sites around the state, provide technical assistance and resources for assessment and clean up and explore what additional tools and resources might be needed to expedite site re-use. The ERT directors approved the Oregon Industrial Brownfields Redevelopment Strategy in April 2004 (attached as Appendix E). The Industrial Brownfields Strategy is being implemented as part of the industrial site certification program.

Agency efforts and actions to support Industrial lands

In the following section of the report, the ERT agencies have summarized their efforts and actions to support the Industrial Lands Initiative.

OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT (OECDD)

Even though readying an industrial site for certification is a collaborative effort that requires the participation of state, federal and local agencies as well as the cooperation of the property owner, OECDD carries the primary responsibility for developing, administering, and marketing the Industrial Site Certification Program. OECDD's efforts to certify industrial and traded-sector sites as "project ready" are outlined below:

Develop Industrial Site Certification Program

- Develop/refine "project-ready" definition
- Work with consultants to develop eight industry profiles

- Work with GERT and GERT agencies to develop certification application, review documents, criteria and other materials. Information on industrial site certification is available at: <http://www.econ.state.or.us/IC.htm>
- Recruit and retain experienced site-selection experts to provide independent advice and site review
- Articulate and finalize review criteria and process with experts

Administer Industrial Site Certification Program

- Defend and maintain standards demanded by the real estate market, site selectors and industrial developers to minimize controllable risks.
- Work with the state natural resource agencies, federal agencies and tribes on developing expedited review processes necessary for site certification.
- Develop inter-governmental agreements and streamlined processes with natural resource agencies to provide on-going assistance to the industrial site certification program.
- Assign eight coordinators from the Community Development Division to assist local parties in gathering and assembling the documentation essential for review and verification of a site's readiness.
- Review certification application notebooks for completeness prior to field inspection by third-party verifier.
- Organize and staff field visits by third-party verifier and manage contract with third-party consultant providing verification.

Market Industrial Site Certification Program

- Market industrial sites to business prospects and site selectors using application notebooks and <http://www.Oregonprospector.com>

Financial Assistance Program

- Develop Interagency-funding matrix that lists state agency funding programs that can be used to fund various aspects of readying an industrial site for certification (copy of matrix is attached as Appendix F)
- Revised the Administrative Rules to the Special Public Works Program (SPWF) to target industrial land certification and development.
 - ✓ Focus infrastructure loans and grants toward priority of increasing supply of industrial lands. Rules now permit grants and loans for wetland delineation, provide grants of up to \$5,000 per job created without a demonstration of financial need, increased size of Technical Assistance (TA) grants (for preliminary work on industrial sites) and removed population size limit for TA grants.
 - ✓ Developed more flexible loan packages to defer loan repayment until sites are developed and sold or leased.
- Use an Environmental Protection Agency (EPA) Demonstration Assessment grant to fund brownfields phase 1 assessments for eight industrial properties seeking certification.

- Agency staff to prioritize Job Creation and Industrial Lands projects.

Other Efforts:

- Convene the Industrial Lands Advisory Committee (as directed by HB 2011) to identify 25 “opportunity “ industrial sites of “statewide significance for job creation.” The committee presented its report to OECDD Director Marty Brantley on December 15, 2003. GERT coordinators are working with OECDD and the other GERT agencies to ready these 25 “opportunity” sites for development, and in some cases, for site certification.
- Prepare a State Economic Development Strategy. The strategy will be completed by June 30, 2004.

Legislative concepts for 2005-07

- Program option packages for lottery bond funding to provide incentives and ongoing support for industrial site certification.
- Re-capitalize the State Brownfields Redevelopment Fund to provide assessment and clean-up funds for redeveloping existing industrial lands.
- Minor technical corrections to agency statute and programs to further focus on industrial lands

DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT (DLCD)

The Department of Land Conservation and Development (DLCD) is implementing the Governor’s Executive Order 03-02 and subsequent legislation such as HB 2011 (Ch. 800 OR Laws 2003) using a three-part strategy:

- Developing, implementing, and maintaining policies that enhance and protect Oregon’s industrial land supply.
- Funding local economic development planning projects with grants
- Providing technical assistance and guidance to local governments for economic development planning.

Promoting Economic Development Through Policy

DLCD has convened three advisory committees to assist with policy work relating to economic development. The department has reserved a legislative concept placeholder for any policy recommendations developed by these committees.

Economic Development Planning Advisory Committee

The Economic Development Planning Advisory Committee will provide subject matter expertise and guidance to the newly formed Economic Development Planning Team at DLCD regarding the economic development planning needs of local governments and the state. In particular, the Advisory Committee is assisting the department with reviewing and possibly updating statewide land use Goal 9 (Economic Development) and associated administrative rules. The Advisory Committee is also discussing ways to create greater certainty and

increase the flexibility of the land use system as it relates to economic development and industrial lands.

Industrial Conversion Study Committee

The Industrial Conversion Study Committee will implement Section 17 of HB 2011, which requires the Land Conservation and Development Commission (LCDC), in conjunction with the Governor's Economic Revitalization Team, to study and report to the Governor by the end of the 2004 on the conversion of industrial land to non-industrial land. Although the Committee has only met twice as of this date, it has reached a preliminary conclusion - while most conversions are consistent with the marketplace and the land use system, there are some types or classes of industrial land that the state may have an interest in providing additional protections.

Urban Growth Boundary Workgroup

The process to establish and amend an urban growth boundary (UGB) is set forth in statewide land use Goal 14. The goal language has not been modified since its adoption in 1974, and does not reflect three decades of important interpretations and modifications of the process by the commission, the legislature, and the courts.

The department is proposing the formation of a UGB workgroup to LCDC at the June 10/11, 2004 commission meeting. The goal of this workgroup will be to provide a clear and detailed explanation of the UGB process and may include the adoption of new administrative rules that outline a step-by-step description of the UGB amendment process. Rulemaking also provides an opportunity for LCDC to define terms, eliminate unnecessary steps, and adopt "safe-harbors" intended to reduce costs and litigation.

Promoting Economic Development Through Funding

DLCD provides funding for local economic development projects in coordination with the ERT agencies.

Grants that support planning for economic development

HB 2011 allocated \$200,000 to DLCD for the 2003 -05 biennium for planning activities that support economic development. These funds are being used on the following kinds of activities:

- Support the development of the "opportunity" industrial sites (as identified by the Industrial Lands Advisory Committee)
- Assist local governments with Goal 9 economic development planning and industrial site certification
- Support business development projects
- Revitalize downtown business districts
- Support regional employment lands studies
- Develop model permit processes

(A fact sheet with more information on how these funds are being used is attached as Appendix G).

Focusing TA Grants on Economic Development

Grants for projects that are not mandatory and on current periodic review work programs are eligible for technical assistance (TA) grants. The department's grant allocation plan lists priorities for use of technical assistance grants. Those priorities are:

- Economic development
- Streamlining planning and zoning processes
- Intergovernmental agreements

The majority of projects being considered for technical assistance grants are for "buildable" lands inventories and other planning for economic development.

Promoting Economic Development Through Technical Assistance

DLCD provides both staff assistance and guidance documents to local government. The following activities are currently underway to support the industrial lands initiative.

Economic Development Planning Team

The 2003 Legislative Assembly created the Economic Development Planning Team (Team). The mission of the Team is to ensure that Oregon's land use planning program meets the economic development planning needs of the State, local governments and citizens by supporting policy initiatives and local planning projects that promote sustainability, business recruitment, expansion and retention.

Technical Guidebook for Commercial and Industrial Development

DLCD is implementing Section 26 of HB 2011, which requires LCDC to:

- 1) Provide local governments with basic and advanced methods for identifying, analyzing and providing for industrial and commercial development sites; and
- 2) Develop and provide guidebooks and other appropriate materials to assist local governments in identifying and analyzing potential industrial and commercial and retail development sites.

The department will be issuing a request for proposal June 7, 2004 to develop and produce a guidebook for local governments that will build on the methodology published in December 2002 by the Advisory Committee on Commercial and Industrial Development created by HB 3557 (Ch. 812, OR Laws 2001).

DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)

DEQ reviews of Phase 1 Environmental Assessments adds certainty to Industrial Site Certification

An internal DEQ work group developed a process for conducting reviews of Phase I Environmental Assessment reports submitted by landowners seeking certification for industrial sites. The review process of Phase 1 environmental assessments culminates in a review memo developed by DEQ that is included in the site application notebook.

Review memos:

- Summarize information about the status of environmental contamination
- Identify information gaps
- Clearly outline additional steps or actions that need to be taken to clear the property of contamination
- Contain information important to site selectors or potential purchasers about liability for contamination

Absent any DEQ review of the Phase I Environmental Assessments, site selectors would be faced with significant document review and research time to fully evaluate the adequacy of any reports and to evaluate purchaser exposure to liability for site contamination. All DEQ reviews evaluate whether Phase I Environmental Assessments have been prepared according to commonly accepted industry standards.

To date, DEQ has completed reviews for 30 Phase I Environmental Assessments. DEQ used existing staff time funded by an EPA grant and by the Hazardous Substance Remedial Action Fund to conduct the reviews. Each review averaged approximately 8 – 10 hours of DEQ staff time. Managers re-prioritized staff workloads to ensure timely reviews. DEQ is pursuing funding to enable continued support for assessment of brownfield industrial sites through a brownfield grant submittal to EPA.

EPA Brownfield Grant directed to support Industrial Lands Initiative

Prior to the Certified Industrial Lands Initiative, DEQ applied for and received a grant under the US Environmental Protection Agency's (EPA) Brownfields Revitalization Program. The EPA grant provided DEQ with resources to assist "rural and distressed" communities with assessment of contamination at brownfield sites, a critical step in the redevelopment of abandoned or under-utilized industrial and commercial lands.

In October 2003 DEQ directed \$16,000 of the EPA grant funds to conducting Phase I Environmental Site Assessments on industrial sites seeking certification located in "rural and distressed" communities. Assessments for nine industrial sites were completed between January and March 2004. Without DEQ funds, the cost of these assessments, which are a requirement for certification, would have been paid for with other public funds or by the local landowner. DEQ is pursuing EPA funding to enable continued support for assessment of rural brownfield industrial sites.

Training of OECDD staff on environmental issues related to industrial site certification

In May 2004, staff from DEQ's Economic Revitalization Team, the site assessment program, and the cleanup program provided a training session to OECDD staff. The training focused on the environmental assessment and cleanup process and how it relates to industrial site certification.

The goal of the training was to better prepare OECDD staff to discuss Phase I Environmental Site Assessment standards, requirements and the process of DEQ review with landowners, developers, and consultants as new sites are brought into the certification program.

DEQ Assistance to Businesses

DEQ has created three regional Business Response Teams. The Business Response Teams assist businesses with expansion and siting plans. They work with businesses to streamline the permitting process and proactively resolve regulatory issues in order to minimize regulatory oversight and reduce operational costs. Examples of successful partnerships with specific businesses are available from DEQ in the form of fact sheets (attached as Appendix H).

DEQ is in the process of creating a website that will provide business owners, developers, and communities with information about regulatory issues and how to contact the DEQ's Business Response Teams.

DEPARTMENT OF STATE LANDS (DSL)

Revised rules for industrial/traded sector sites

On May 21, 2004, DSL adopted new rules, OAR 141-085-0023, describing expedited planning and authorization process for industrial or traded sector sites, including the following:

- Coordination and direction of contracts for wetland delineations, functional assessments, alternative analyses and mitigation plans;
- Provision of technical assistance and expedited review of products including but not limited to: wetland delineations and functional assessments, and mitigation plans, and removal-fill authorization materials;
- Technical assistance and guidance in development of site master plans with an emphasis on mitigation of project impacts;
- Technical assistance in preparation of removal-fill application materials and identifying most expedient authorization type;
- Assistance with early identification and resolution of issues raised by other agencies and the public;
- Expedited review of applications and prompt permit decisions.

Process Streamlining

- **Expedited Review Process** - DSL has created a prioritization system for review of wetland delineation reports. Under this new system, wetland delineations associated with industrial certification sites would be reviewed under “Tier 1” meaning that a first review will be completed within 120 days. The only priority above industrial lands delineations are wetland delineations directly tied to Removal-Fill applications which receive highest priority due to statutory timeframes for permit processing.
- **Rapid assessment program** - DSL has implemented a rapid assessment program to quickly determine the likely presence or absence of “waters of the State” on industrial sites seeking certification. For instance, off-site wetland/waterway determinations by DSL typically require minimum of 3 weeks to complete. Under rapid assessment for industrial sites, off-site determinations are generally completed in 7- 10 days. On-site wetland/waterway determinations typically require minimum of 8 weeks. Under rapid assessment for industrial sites, the typical time for completion is generally 4 weeks, depending on location of site. To date, DSL has provided rapid assessments for over 67 industrial sites around the state.
- **Coordination with OECDD** - DSL worked closely with OECDD to develop the wetlands portion of the application for industrial site certification. The department continues to coordinate with OECDD on streamlining the work products required of industrial sites with unavoidable wetland impacts. Coordination between DSL and OECDD includes grant/loan funding of wetlands delineations for highly marketable industrial sites as well as preparing templates and sample products for use by certification applicants in completing wetland documentation requirements.

Liaison to Economic Revitalization Team (ERT)

HB 2011 created a liaison position within DSL to the ERT. The DSL/ERT liaison is on point for DSL’s role in the Industrial Lands Initiative. In this role, the DSL/ERT liaison is responsible for coordinating with GERT and OECDD on implementing and streamlining industrial site certification including:

- coordinating the rapid assessment program for industrial sites seeking certification
- providing technical assistance to certification applicants on delineation reports, functional assessments and mitigation plans
- coordination with federal counterparts specifically the US Army Corps of Engineers
- Working with the 10 regional multi-agency ERTs located around the state on issues related to specific industrial sites.

Legislative concept for 2005-07

DSL has submitted a legislative concept to assume federal regulatory authority under Section 404 of the federal Clean Water Act, currently administered by the US Army

Corps of Engineers. DSL assumption of the federal program will support industrial site certification by eliminating duplicative permitting processes by combining state and federal programs and potentially shortening the time it will take to obtain a permit.

OREGON DEPARTMENT OF TRANSPORTATION (ODOT)

The Oregon Department of Transportation (ODOT) supports the implementation of Governor's Executive Order 03-02 and HB 2011 with the following activities:

Coordination

- Collaborate with OECDD and GERT on development of the industrial site certification application as it relates to transportation.
- Coordinate with city and county road departments to provide necessary information on the capacity of transportation facilities and viability of access on specific industrial sites seeking certification.
- Coordinate with local agencies, consultants and other stakeholders to provide engineering analysis and assistance for transportation infrastructure needs assessment at industrial sites.
- Work with local agencies to determine minimum project costs and funding sources for transportation improvements to the local transportation system that serves industrial sites.
- Collaborate with DLCD to coordinate land use and transportation issues and policies. Do this by activities such as participation in DLCD's Economic Development Advisory Committee and Industrial Conversion Study Committee.
- Provided an ODOT Liaison position to the GERT.
- Worked with OECDD to develop and provide site maps for Industrial Sites.

Align Transportation Policies and Practices with Economic Development

- Ensure that ODOT policies and practices related to transportation project selection, delivery and funding support the Industrial Site Certification Program and the development of the "opportunity sites" as identified by the Industrial Lands Task Force.
- Revised Access Management Standards to provide easier, more flexible process to obtain access from industrial sites to state highways.
- Increased the Immediate Opportunity Fund funding cap from \$500,000 to \$1,000,000 to allow more flexibility in funding larger infrastructure improvements to serve certified and opportunity industrial sites.

Leverage Transportation Funding

- Worked with OECDD Business Development Officers (BDO) and GERT to identify potential industrial expansion and recruitment opportunities for the Immediate Opportunity Fund
- Included Economic Development as one of the Focus Areas for selection of Transportation Enhancement projects

- Align needed transportation infrastructure improvements for industrial sites with OTIA III funding whenever possible.
- Worked with Freight Advisory Board to leverage necessary transportation infrastructure for industrial lands seeking certification with freight mobility projects whenever possible.
- Worked with OECD to leverage necessary transportation infrastructure for industrial lands seeking certification with jobs creation projects whenever possible.
- Fund needed studies, such as traffic analyses for industrial sites seeking certification.
- Administer Rail Division's \$10M of Lottery backed bond funding for short-line and rail spur improvements on investment in short line infrastructure and the development of new rail spurs for retention of existing industries and expansion of new industries that are rail served.
- Using a multi-modal approach to ensure that all relevant modes of transportation; e.g. rail, pedestrian, bicycle, aviation, trucking, automobile; for any given industrial site are considered and addressed.

OREGON HOUSING AND COMMUNITY SERVICES (OHCS)

Housing Incentives to businesses

- OHCS is ready and willing to prepare and offer incentives to corporations to locate in Oregon, and has already done so in at least one instance with a company considering relocating to Albany, Oregon. Available incentives include assistance in creating employer-assisted housing programs, links to current affordable housing units, and access to the State's Residential Loan Program to assist low and moderate-income employee households in buying a home of their own. OHCS is planning to offer the same kind of letter this summer in Gilliam County associated with the completion of the Shutler Industrial Park and the siting of the wheat facility (Sample "Corporate Recruitment Letter" is attached in Appendix I).
- OHCS efforts to assist in job creation include a special set-aside of its homebuyer loan program for a company thought to be relocating from California and offering 24 new jobs in Burns, which unfortunately never materialized. But we plan to make a similar offer for another, even better, opportunity pending in the same Southeast Regional Alliance's territory. OHCS has also offered the same for a manufacturing facility coming to Pendleton, and is participating in a jobs fair there offering the same kind of set-aside, funds permitting.
- Further OHCS efforts to prepare in advance for known or likely future development include trying to do some land banking in the Hood River area, and having the Oregon Downtown Development Association consider doing a study of the adequacy of housing stock in the wider region.

Linking Housing and Jobs

- OHCS has developed the “Housing Market Needs Analysis 2000” model, which can be used to predict the impacts on a local or regional housing market that would result from the development of a certified (or any other) site by a particular type of business. The “2000” refers to the fact that the analysis is based on Census 2000 data. The model reflects the housing needs that existed in a given community at a given time which serves a base line for determining the impacts that developing a certain industrial site would have on the housing market. A preliminary application of the model to the nine cities where the 11 sites certified so far are located is attached (Appendix J)
- OHCS has also developed an IMPLAN model to be used to conduct economic impact analyses of industrial site developments (IMPLAN is an input/output econometric software model that uses 509 Sectors associated with the North American Industry Classification System – NAICS – to describe all the activities in a region).
- OHCS stands ready to replicate elsewhere its study of housing needs in Lakeview in association with the siting of a new prison and the associated jobs it would create. The Department would be willing to implement the findings of the study by providing resources to construct needed housing units and avoid displacing mostly elderly local low-income households. In fact, OHCS has been discussing with the Director of the Department of Corrections the possibility of replicating that model in the City of Madras.

OHCS Participation on regional ERTs

All of OHCS’s Regional Advisors to the Director have participated in the discussions within the GERT Regional Teams regarding the Shovel-Ready Initiative. They have been trying to keep on the table the fact that housing is critical to enticing an employer to an area, and is likely the most pressing consideration after that of the specific site’s suitability for the specific company.

OREGON DEPARTMENT OF AGRICULTURE (ODA)

As part of the due diligence necessary for “project ready” certification, ODA conducted site reviews during the summer of 2003 for the presence of state-listed protected native plant species on 36 non-federally publicly owned industrial sites across Oregon. ODA determined 22 sites to be free of listed species while another 12 sites were “conditionally cleared” and required follow-up site reviews in the spring of 2004. Two sites had known protected species which will require either avoidance or mitigation when developed.

The review process was complicated by the fact that the Oregon Legislature had cut funds to ODA’s Threatened and Endangered (T & E) plant program during the special sessions to balance the budget in 2003. With the laws still in effect, OECD paid for the

cost of ODA reviews with a “fee for service” contract that was part of an intergovernmental agreement.

2005-07 Legislative Concepts

ODA has developed a policy option package that will restore a base level of service to the T & E plant program.

DEPARTMENT OF CONSUMER & BUSINESS SERVICES (DCBS)

DCBS houses the Office of Regulatory Streamlining, created by Executive Order 03-01. The Office is responsible for coordinating and assisting with all streamlining activities statewide not specifically addressed in Executive Order 03-01. Currently, over 300 projects have been completed or are underway. Summaries of these streamlining efforts are available at <http://www.streamline.oregon.gov>. The objective of these efforts is to make business regulations in Oregon faster, simpler, cheaper and easier with which to comply. We do this while maintaining protections Oregonians expect for consumers, workers, the environment, and public health and safety.

These efforts are reported more fully in a separate report on the Regulatory Streamlining Initiative.

III. Pilot wetlands process for industrial sites

In March 2003, the Department entered into a Memoranda of Agreement with Douglas County and the City of Lebanon for technical assistance in resolving state and federal wetland permitting issues in advance of development. Since these industrially zoned lands had significant wetlands present, establishing the exact location of these wetlands and their functionality as well as mitigation plans based on potential uses will greatly reduce the risk of developing these sites. This advance work increases the marketability of these sites and will also allow Douglas County and the City of Lebanon to market these sites with a higher degree of certainty that development can proceed in a timely manner.

Specific assistance to these jurisdictions has included: development of request for proposals and selection of contractors to complete pre-application work such as wetland delineations, alternatives analysis, master planning, and conceptual mitigation planning; advance review of these work products; and coordination with federal counterparts. Work for two of the three industrial sites covered under the MOA is anticipated to be complete in May-June 2004. This will ready about 300 acres for industrial development.

Prior to this pilot, it had been the department’s standard practice to respond to specific requests for developing a site rather than doing the wetlands planning work in advance of development. As a result of this pilot project, DSL will extend technical assistance

services for advance wetland planning to certification applicants, to the extent staff resources allow.

IV. Coordination between EO 03-02 and EO 03-01

Coordination between the two efforts has been constant since the onset of each initiative.

To kick off this coordination, in April 2003 a workshop entitled, *Changing the Regulatory Culture Training*, was sponsored jointly by the Office of Regulatory Streamlining and the GERT. This effort brought together all the agency liaisons for the Regulatory Streamlining Initiative in order to provide familiarity with the expectations and distinctions of the executive orders and to provide general training of the best practices for regulatory streamlining. This workshop also served as training for the agency liaisons regarding the reporting and tracking format and information concerning the support/coordination offered to agency streamlining efforts by the Office of Regulatory Streamlining.

As the Governor's appointed lead to the streamlining initiative, the Director of the Department of Consumer & Business Services (DCBS) was added to the group of ERT directors during 2003 to facilitate further coordination between industrial lands and regulatory streamlining. The GERT Directors receive reports from the Manager of the Office of Regulatory Streamlining at their monthly meetings regarding the regulatory streamlining projects going on across the state. This practice also facilitates dialogue and mutual support for the efforts of the two Executive Orders

Including DCBS as an ERT agency not only creates a direct connection between industrial lands and regulatory streamlining, it also expands the focus of the ERT to a set of economic issues wider than it's historic focus on the built environment. HB 2011 strengthens the connection and focus shift by directing the GERT to coordinate and streamline state policies, programs and procedures and increase multi-agency coordination and assistance to local government on economic development and industrial lands

In addition, the Advisory Committee on Regulatory Permitting, established by HB 2011, will be meeting with the ERT directors over the next 6 months to examine the statutes, rules, ordinances, and practice limits and mandates on local projects and permits pertaining to industrial development and recommend needed changes to the 2005 Legislature.

Conclusion

Through the efforts of the GERT, OECD and the other ERT agencies, Oregon is now one of only a handful of states in the nation with an industrial site certification program,

a competitive advantage that will be fully realized as the economic recovery gains momentum.

The efforts and activities summarized in this report to implement the “Shovel Ready Industrial Lands Initiative,” both individually and collectively represent a change in the way state agencies think about and do economic development. Involvement in the industrial lands initiative has stretched state agencies beyond their missions and given them a better understanding of the development process, their role in that process, how multi-agency coordination can streamline the development process and how early and proactive involvement in development projects increases the chances of success.

The progress to date summarized in this report is only the beginning. The ERT agencies are continuing to work together on industrial site certification, on identifying barriers to development, on improving processes and on streamlining permitting in order to position Oregon for prosperity.