

ANNUAL PERFORMANCE PROGRESS REPORT - EXECUTIVE SUMMARY

TIME PERIOD: FISCAL YEAR 2004 – 2005

Agency: Economic Revitalization Team (ERT)	Date Submitted: September 30, 2005	Version No.: 1
Contact: Gabrielle Schiffer	Phone: (503) 986-6522	
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Performance Target Achievement	#
Total Number of Key Performance Measures (KPMs)	3
Number of KPMs at target for most current reporting period	1
Number of KPMs not at target for most current reporting period	2

Introduction

The 72nd Oregon Legislative Assembly asked the Governor through House Bill 2011 (Ch. 800 OR Laws 2003) to establish the Economic Revitalization Team (ERT) for the purpose of “coordinating and streamlining state policies, programs and procedures and providing coordinated assistance to local government.” To carry out this charge the ERT has adopted as its mission to:

help local governments and businesses increase economic opportunity and help state agencies improve government accountability by focusing on customer service, partnership and results.

The ERT is a seven-member coordination team within the Governor’s Office that delivers a collaborative, customer-service oriented and outcome-based approach to economic and community development. The Governor’s Intergovernmental Relations Director and Economic Development Policy Advisor leads the ERT which is composed of two staff in Salem and five regional coordinators located in Milton-Freewater, Madras, Central Point, Salem and Beaverton.

The “regulatory efficiency group”¹ of state agency directors helps accomplish the ERT mission. At the statewide level, these eight state agency directors work both individually and together to ensure that agency resources are effectively deployed to foster economic opportunity. At the local/regional level, they direct a statewide network of nine locally based, multi-agency regional teams to work with the ERT regional coordinators to ensure a coordinated state response on high priority local economic and community development projects.

¹ The “regulatory efficiency group” is composed of the following eight state agency directors: 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), the Oregon Department of Agriculture (ODA), Oregon Housing and Community Services (OHCS) and the Department of Consumer and Business Services (DCBS).

Achievements

During fiscal year 2004-05, the ERT coordination infrastructure described above worked closely with the Oregon Economic and Community Development Department (OECD) to continue implementation of the “project ready” industrial site certification program. Certification is a marketing tool that increases the state’s competitiveness in the global marketplace. It is a multi-agency, state/local and public/private effort to remove barriers to development on specific parcels of land to ensure that construction can begin within a 180 days after a decision is made to develop. Eighteen industrial sites, totaling more than 1,300 acres statewide, were certified as “project ready” between July 1, 2004 and June 30, 2005.

One example of how ERT leadership and coordination is increasing the state’s competitive advantage in both the short and long term is the certification and subsequent development of Lebanon’s Northwest Industrial Area. The 200+ acre site, which sat vacant for 17 years, gained the interest of site selectors once the city and the state were able to systematically and pro-actively address site issues such as wetlands, thus reducing risk and removing uncertainty from the development process. Uncertainty over wetlands is ubiquitous to industrially zoned lands in the Willamette Valley and along the I-5 corridor. At the urging of the ERT, the Department of State Lands (DSL) developed an expedited process for identifying and mitigating loss of wetlands for industrial development. DSL adopted administrative rules to implement this process in May 2004. In addition, ERT facilitation and coordination was critical to expediting the removal-fill permit with the US Army Corps to accommodate Lowe’s tight construction timelines. Don Winn, Director of Engineering and Construction for Lowe’s, commented to the ERT regional coordinator for the Willamette Valley that “the assistance and response from the State of Oregon far exceeds anything Lowe’s has experienced anywhere in the nation” and the company is very grateful for all your help (and your colleagues in your agencies). And finally, the Lebanon site demonstrates how state/local partnership can leverage limited public dollars in that the cost of the wetlands delineation and mitigation was shared by the city, the landowner, OECD and DSL. The successful recruitment of Lowe’s to Lebanon will create between 400 – 750 full-time, family wage jobs. Construction of the facility, which begins September 2005, is expected to employ about 350 workers over the next two years. As the Lowe’s example illustrates, the ERT is helping to create jobs in the short term and making it easier to do business in Oregon in the long term by changing how state government works at both the project and the process level. Each of the 18 industrial sites certified to date is a variation of the Lowe’s example and demonstrates what we can accomplish when we work together.

Although the majority of ERT staff time is focused on working directly with communities and state agency field staff on specific projects, the ERT also works with the state agency directors and the Office of Regulatory Streamlining to improve Oregon’s business climate by simplifying and expediting state processes and procedures. As directed by HB 2011, the ERT staffed the Advisory Committee on Regulatory Permitting during the summer and fall of 2004. The committee’s recommendation to streamline all the state’s water related permitting processes is being implemented with the help of the Office of Regulatory Streamlining. This multi-agency, multi-year effort to improve the state process for permitting development projects that affect the state’s water resources is scheduled for completion in time for the 2007 legislative session.

Challenges

The industrial sites certified to date largely represent the “low hanging fruit” in terms of their readiness for development. Ensuring that the state has a sustainable supply of ready-to-develop industrial lands will require addressing longer term land supply issues in key areas of the state. As we enter the next phase of the industrial site certification program an increasing number of high priority sites will require significantly more commitment of time and resources by local government and state agencies as well as private land owners to be certified as “project ready.” Substantial investments in infrastructure and transportation improvements, land use and/or zoning changes, and resolution of environmental issues may be needed for the next wave of sites.

ANNUAL PERFORMANCE PROGRESS REPORT - PART I, MANAGING FOR RESULTS

TIME PERIOD: FISCAL YEAR 2004 – 2005

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Agency Name: Governor's Office – Economic Revitalization Team (ERT)		Agency No.: 12100
The following questions shed light on how well performance measures and performance data are leveraged within your agency for process improvement and results-based management.		
1	How were staff and stakeholders involved in the development of the agency's performance measures?	The current performance measures were developed through a collaborative process which included the ERT regional coordinators as well as the state agency liaisons to the ERT from each of the eight state agencies that are part of the "regulatory efficiency group."
2	How are performance measures used for management of the agency?	Performance measures focus the ERT regional coordinators and the state agencies that are part of the "regulatory efficiency group" on outcome and results as well as customer service as they assist local jurisdictions and businesses on high priority economic and community development projects.
3	What training has staff had in the use performance measurement?	The ERT special projects coordinator serves as the performance measure coordinator and participates in training sessions on performance measures as provided by the Oregon Progress Board as workload allows.
4	How does the agency communicate performance results and for what purpose?	Performance measure results are posted on the ERT's website (Http://www.ert.oregon.gov). They are shared with the state agency directors that are members of the "regulatory efficiency group" and included in the ERT's biennial report to the 73 rd Legislative Assembly.
5	What important performance management changes have occurred in the past year?	As the economy improves, the industrial site certification program matures and state/local staff experience with the program grows, policy issues and process adjustments have been identified and are in the process of being addressed. The ERT and the numerous state agencies involved in the process of certification are engaged with OECD in ongoing refinements to the certification program

ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

TIME PERIOD: FISCAL YEAR 2004 – 2005

Agency Name: Governor’s Office – Economic Revitalization Team (ERT)		Agency No.: 12100								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
1. - Percent of local participants who rank the ERT process as very good to excellent on the OECD Biennial Customer Satisfaction Survey ranked from 1-4 with 4 being the highest as per DAS guidelines.	Target	New, N/A	New, N/A	New, N/A	83%	N/A	85%	90%	95%	100%
	Data	New, N/A	New, N/A	New, N/A	84%	N/A	87% (3.6)	N/A	N/A	N/A

Data Source: Independent survey conducted every two years by OECD.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Improve the quality and efficiency of delivering state services to local communities.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

Benchmark 35-Governing Magazine’s ranking of public management qualities was a C+ in 2000. The ERT’s impact on this benchmark is minimal.

How does the performance measure demonstrate agency progress toward the goal?

The ERT exceeded the target set for this measure. With over 100 survey respondents, this measure indicates that an increasing number of communities are experiencing the benefits of a coordinated state agency response as facilitated by the ERT regional coordinators.

Compare actual performance to target and explain any variance.

The survey rated the ERT as extremely strong on having a collaborative, problem-solving, customer service attitude and timeliness of response. According to the survey, 91% of respondents indicated that ERT coordination contributed to “completing the projects without surprises and/or roadblocks.” In addition, 45 % of respondents say that ERT involvement enhanced their project significantly and substantially increased access to key state agency staff.

Summarize how actual performance compares to any relevant public or private industry standards.

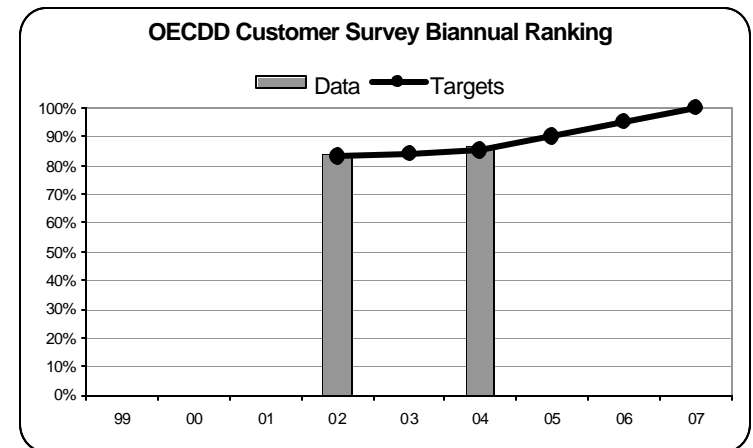
Few states use the survey instrument employed by OECD in which the ERT is included. Maryland ceased its survey when its Economic and Employment Departments merged. Minnesota ceased using the survey but has requested the latest Oregon survey results and might re-institute use of a similar instrument based upon our results.

What is an example of a department activity related to the measure?

ERT coordinators and the nine multi-agency regional teams they work with meet regularly with local leaders to offer state assistance on high priority projects. ERT coordinators are on point to ensure coordination of agency actions and resources, timely follow up and issue resolution.

What needs to be done as a result of this analysis?

Survey results indicate that opportunities for improvement exist in coordinating/expediting permitting processes. In October 2004 the ERT state agency director charged the regional teams to participate in local pre-application conferences for projects of regional and statewide significance for job creation and to expedite permitting processes for business expansions and recruitments.



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Agency Name: Governor’s Office – Economic Revitalization Team (ERT)		Agency No.: 12100								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
2. - Number of new industrial sites / acres certified as "project ready."	Target	New, N/A	New, N/A	New, N/A	New, N/A	New, N/A	30/2700	20/1800	20/1800	20/1800
	Data	New, N/A	New, N/A	New, N/A	New, N/A	New, N/A	10/882	18/1374		

Data Source: Certified lands database under development by OECD

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Increase the supply of marketable industrial sites statewide.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

Developmental Benchmark # 2002 addresses the percentage of industrial property that meets development requirements. The ERT facilitates state agency and state/local coordination to better achieve this benchmark. To ensure a coordinated state response, the ERT as well as the following state agencies share this measure, with minor modifications: Oregon Economic and Community Development Department (OECD), the Department of Land Conservation and Development (DLCDD) and the Department of State Lands (DSL).

How does the performance measure demonstrate agency progress toward the goal?

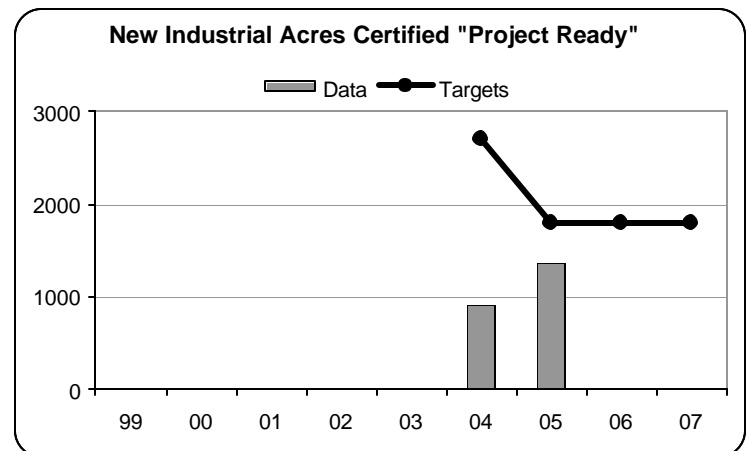
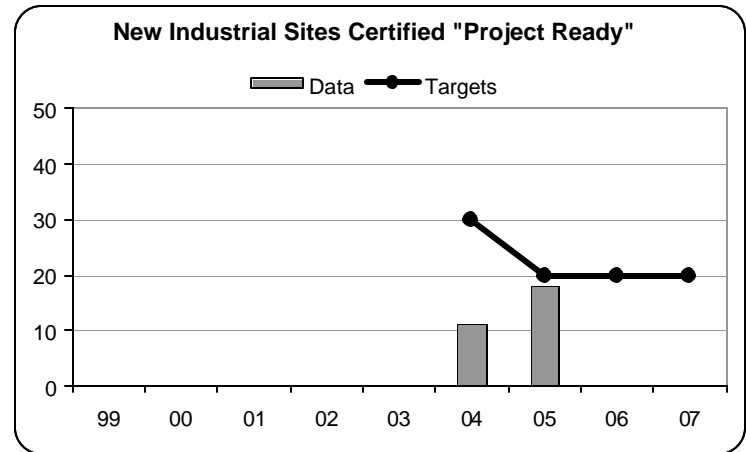
To date, certification has significantly increased the number of industrial sites which can be marketed with confidence as truly ready to be developed within business timelines.

Compare actual performance to target and explain any variance.

A site undergoes a rigorous level of analysis based on market-driven criteria and industry standards in order to be certified as “project ready.” Each of the eighteen sites certified this fiscal year represents a commitment and coordination of resources between state agencies, local governments and property owners. In addition to assessing and resolving any number of potential barriers to development such as transportation access or infrastructure capacity, the process of certification involves documenting and verifying a large number of site characteristics for each site. State and local government capacity to provide this information often needs to be balanced against other high priority projects which can result in unintentional delays. It should be noted that while only 18 sites received letters of certification during the 2004-05 fiscal year, another 4 sites have been certified since June 30, 2005.

Summarize how actual performance compares to any relevant public or private industry standards.

Certified sites meet market driven criteria and nationally recognized industry based standards. The certified sites program has demonstrated its value in that sales are pending on eight certified properties.



What is an example of a department activity related to the measure?

Agency Name: Economic Revitalization Team (ERT)

ERT facilitates state/local/federal coordination and issue resolution on high priority economic development projects. The certification and subsequent development by Lowe's of Lebanon's NW Industrial Area, a site certified in September 2004, is a good example of the value and service that the ERT provides to the state. A description of the Lowe's example is included in the Introduction.

What needs to be done as a result of this analysis?

Continued refinement of the certification process is ongoing. To fulfill legislative direction provided by HB 2011, state agencies have identified ways in which individual state agency funding programs can better support economic development priorities at both the local and state level. The ERT continues to work on increasing communication between program staff in Salem and the ERT coordinators and multi-agency regional teams working in the field to improve service deliver and better link local needs and opportunities with appropriate state funding resources.

ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

TIME PERIOD: FISCAL YEAR 2004 – 2005

Agency Name: Governor’s Office – Economic Revitalization Team (ERT)		Agency No.: 12100								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
3. % of the 25 “opportunity sites” certified as “project ready.”	Target	New, N/A	New, N/A	New, N/A	New, N/A	New, N/A	15%	50%	80%	100%
	Data	New, N/A	New, N/A	New, N/A	New, N/A	New, N/A	12%	48%		

Data Source: Certified lands database maintained by OECDD

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Increase the supply of marketable industrial sites statewide.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

Developmental Benchmark # 2002 addresses the percentage of industrial property that meets development requirements. The ERT facilitates state agency and state/local coordination to better achieve this benchmark.

How does the performance measure demonstrate agency progress toward the goal?

12 of the original 25 “opportunity sites” selected by the Industrial Lands Advisory Committee in December 2003 as sites with “statewide significance for job creation” have been certified as ready for development. The Lowe’s site in Lebanon was included in the committee’s list of highly marketable sites.

Compare actual performance to target and explain any variance.

While the committee selected sites that were highly marketable, the majority of the sites selected also have multiple barriers to development which require substantial amounts of local capacity and commitment as well as funding to remove.

Summarize how actual performance compares to any relevant public or private industry standards.

Certified sites meet market driven criteria and nationally recognized industry based standards. Certification has positive influence on prospective business expansion and relocation decisions by minimizing risk, lowering costs and shortening development timelines. The certified sites program has demonstrated its value in that sales are completed or pending on eight certified properties.

What is an example of a department activity related to the measure?

ERT facilitates state/local/federal coordination and issue resolution on high priority economic development projects. The certification and subsequent development by Lowe’s of Lebanon’s NW industrial site is a good example of the value that the ERT provides for certification. A description of the Lowe’s example, which was selected as an “opportunity site” is included in the Introduction.

What needs to be done as a result of this analysis?

Of the remaining 13 “opportunity sites” not certified, eight are schedule to achieve certification status during the 2005-07 Interim. The Mill Creek site in Salem is likely to be developed without being certified because State/DAS ownership precludes certification. The four remaining sites have longer term issues to resolve before they can be developed or certified.

