

**Report of the
Joint Study Committee on Regional Development Centers and
Metropolitan Area Planning Commissions**

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Purpose of the Joint Study Committee

Senate Resolution 184, adopted in the 1998 Session of the Georgia General Assembly, cited the need for "a thorough joint legislative study of the present organizational structure, authority and functions of the regional development centers and metropolitan area planning commissions and of whether legislative changes would better enable such bodies to serve the state and its local governments." The committee was charged to undertake a "study of the conditions, needs, issues, and problems" related to regional development centers (RDCs) and metropolitan area planning commissions.

In addition to the authorizing resolution, Governor Barnes, in his veto message to the Fiscal Year 1999 Supplemental Appropriations Act (House Bill 143) pertaining to additional economic development funding for RDCs, indicated:

The purpose of these funds [\$600,000 for RDC economic development efforts] is not clear and the funds will not be distributed on a performance basis. Funds might be used to hire new staff for economic development, to work on specific economic development projects, or to increase current economic development efforts. By providing these funds to RDCs in this manner, the state would be paying for an unidentified program with no implementation plan or measures of success or performance. The state may also be providing funds to RDCs that duplicate the work of the state funded regional development offices staffed by the Department of Community Affairs and the Department of Industry, Trade, and Tourism (DITT).

Finally, Senate Resolution 184 was approved by the General Assembly and would establish a joint study committee on RDCs and Metropolitan Area Planning Commissions. Six members of the Senate and six members of the House would study the conditions, needs, issues, and problems related to RDCs and would make recommendations. Accountability and performance are also among the topics to be discussed. It would seem appropriate to wait for the findings of this committee before increasing the funding for the state's RDCs.

Based on these directives, the Committee focused on the purpose and activities of RDCs, their services to local governments, and their role in economic development activities.

Legislative History and Background on RDCs and APDCs

Formation of Georgia's Regional Development Centers (RDCs) began in 1957 with the Georgia Planning and Zoning Enabling Act's authorization of Area Planning and Development Commissions (APDCs). Formation of APDCs was gradual, starting with the Coosa Valley Planning Commission, the Atlanta Metropolitan Planning Commission,

and the Central Savannah River Planning Commission. By 1969, 18 APDCs had been created.

APDCs were created at the behest of the local governments and local business communities to provide individual and shared services to these entities and to tap into the Great Society programs of the 1960s for rural communities. Services ranged from local government technical assistance to the administration of state and federal grant and planning programs.

The Georgia Planning Act of 1989 abolished APDCs and replaced them with RDCs having identical boundaries. The need for regional planning was recognized by the state and efforts were undertaken to create a new series of regional centers for this purpose, but it was eventually determined that that the APDCs could be modified to serve this additional purpose without creating a new layer of bureaucracy.

While the 1989 Act authorized RDCs to continue administering federal and state grant and planning programs, it specifically provided for RDCs to:

"develop, promote and assist in establishing coordinated and comprehensive planning in the state, to assist local governments to participate in an orderly process for coordinated and comprehensive planning, to assist local governments to prepare and implement comprehensive plans which will develop and promote the essential public interests of the state and its citizens, and to prepare and implement comprehensive regional plans which will develop and promote the essential public interests of the state and its citizens" (O.C.G.A. § 50-8-30)

The RDC boards are controlled by their local governments' members. RDC boards must contain at least two but no more than five elected or appointed officials from each member county and may, by provision in RDC bylaws, include non-public members. Each RDC board also has a DCA-appointed ex-officio, non-voting member.

Generally, RDCs are charged with reviewing and commenting on local plans, providing technical assistance, and, if necessary, assisting in mediation or conflict resolution between its member governments. A few RDCs assume full responsibility for preparing and completing local plans. However, there is little if any leverage that RDCs have in making their member governments comply with these plans. Member governments may withdraw from the process if the proposals on regional planning are not to their liking. In the end, these governments control what goes on in their own city or county.

Based on all local plans within its region, the RDCs each prepare and adopt a regional plan based on the Georgia Department of Community Affairs' (DCA) minimum regional planning standards, developed in accordance with O.C.G.A § 50-8-7.1(b). The 14 regional plans (two pairs of RDCs have compiled joint plans) will form the basis for a statewide comprehensive plan that will reflect Georgia's future economic development and growth strategies.

To date, RDCs have not achieved their primary planning responsibilities as established by DCA, although some are doing much better than others. Many RDCs have fragmented plans at best, and regional planning must be their primary duty, with economic development, program implementation, and assisting local governments secondary. Efforts by the state to force RDCs to perform have caused problems. Because of the unique structure of RDCs, this is where local level, "bottom-up" planning meets state level, "top-down" policy positions. Local control and self-determination will inevitably cause friction when a statewide plan is eventually developed.

The General Assembly annually appropriates funds to DCA for regional planning and development initiatives. DCA enters into contractual agreements with the RDCs to assist in the implementation of these initiatives. These funds have been reduced by five percent each year over the past four years as part of then-Governor Miller's redirection efforts. The RDCs derive additional funding from state and federal grants, local service contracts, and member government dues assessments. RDCs must assess a minimum of \$.25 per capita in dues from each member government.

RDCs provide a variety of functions, services, support and expertise to local governments for purposes of community development, which was their primary purpose prior to 1989. Different RDCs perform a range of functions depending on the inclination of their governing boards and/or their RDC staffs. A table listing some of these functions is attached to this report, and the compilation of geographical information system (GIS) data by all RDCs is an important component. Some RDC boards are very active in their control over the direction of their RDCs, while other RDC boards are more willing to delegate their responsibility. RDCs are also authorized to create non-profit corporations to administer federal or state revolving loan programs or loan packaging programs, and to administer federal or state housing and development programs and funds available only to non-profit corporations. Nine of the sixteen RDCs operate non-profits for various purposes including administration of federal loan programs from the U.S. Economic Development Administration, U.S. Small Business Administration, and U.S. Department of Agriculture. These loan programs generate servicing fees and interest income on outstanding loan balances.

In several regions, RDCs administer job training programs on behalf of area Private Industry Councils and serve as Area Agencies on Aging for the Department of Human Resources.

Summary of Study Committee Meetings

Meeting One - July 26, 1999

The committee discussed various issues surrounding the accountability of RDCs, regional differences in the level and quality of service, the numerous regions applicable to state operations, and the needs of local governments in the area of economic development and planning. Several committee members and RDC Directors stated that the RDCs are extremely accountable when measured by the number of audits and reports they must

complete and the contract terms they must satisfy to various state and federal agencies. However, the group recognized that as organizations accountable for performance and services to their local governments, who serve as the Board of Directors, RDCs do not operate according to any statewide standards for the type, level and quality of services they provide.

The RDC Directors also discussed the lack of reliability in funding. With local dues as the only source of dependable revenues, RDCs must constantly seek out additional funds for basic operations. As such, turnover is high and long-range planning is difficult.

The committee reviewed numerous maps (two of which are attached) indicating state service areas for various programs and agencies. The intent of O.C.G.A. § 50-4-7 in achieving uniform service delivery regions was discussed.

The meeting concluded with Rep. Reichert's statement of four key issues regarding RDCs:

- Assessment of potential duplication of current and proposed economic development efforts at the regional level by RDCs and state development offices
- State agency conformance to Service Delivery Regions as called for in O.C.G.A. § 50-4-7
- Accountability and Performance of RDCs
- Potential tools or changes necessary to improve services to local governments

Meeting Two – August 31, 1999

The committee received information from each of the RDCs regarding: recent financial audits and performance audits, sources of revenue, programs and activities, number of personnel, planning priorities, proposed programs or goals and number of local government members.

The committee heard from Jim Calvin, Executive Director of the Georgia Municipal Association and Jerry Griffin, Executive Director of the Association County Commissioners of Georgia regarding RDC services to local governments. Calvin discussed the findings of a survey conducted of cities and counties in 1998 regarding RDC services. Survey highlights include: 96% of cities and counties use the services of their RDC and 53.6% favor mandatory payment of RDC dues. Griffin discussed 1) the variety in the federal roles and programs RDCs have assumed in recent years, in part to acquire additional funding, 2) the unwieldy size of many RDC Boards and low participation, and 3) local government repayment of state and federal funds disallowed by RDC audits.

The committee also heard from Renay Blumenthal, Governor Barnes' Policy Director, and Terry Jackson, DCA's Director of Decision Support Services. Blumenthal discussed the pending performance audit of DCA, DITT, and the RDCs. Jackson discussed regional

and statewide Geographic Information Systems and their relation to comprehensive planning.

The committee discussed the recent findings of the Budget Responsibility and Oversight Committee on economic development and agreed to focus its work on the economic development efforts of the state regional development offices and the RDCs.

Meeting Three – September 9, 1999

The committee heard from Ralph Nix, Assistant Director of the Middle Georgia RDC, Dan Bollinger, Executive Director of the Southwest Georgia RDC and President of the Georgia Association of RDCs, Jim Youngquist of the Fanning Institute for Leadership Community Development, John Leonard, Executive Director of the South Georgia RDC, and Harry West, Executive Director of the Atlanta Regional Commission.

Nix described the role of the Middle Georgia RDC in various economic development activities including regional planning for the U.S. Economic Development Administration and packaging loans for the U.S. Small Business Administration and U.S. Department of Agriculture.

Bollinger indicated his cooperative relationship with the staff of each state service delivery region and the need for additional funds to allow RDCs to be more flexible in responding to economic development opportunities as they are identified by the regional state staff. Bollinger indicated that performance measures could be established and reports made to DCA or to the General Assembly regarding the RDCs' use of the additional economic development funding. The committee discussed equity issues among RDCs of different sizes and options for creating a pool of available funds at the state level for the RDCs to draw from as projects were identified. Bollinger identified several specific occasions where RDC staff were needed to move an economic development project forward and had to be re-directed internally from other duties.

Youngquist addressed two issues: RDC governance and local government dues. RDCs are entities of local governments whose work program is driven by their Boards of Directors, made up primarily of local governments, who also provide the bulk of the RDCs' discretionary operating revenue. The RDCs were created to serve the interests of local governments and to provide a forum for creating solutions to multi-jurisdictional issues. While RDCs are legally accountable to several state and federal agencies for specific program operations, the Board is responsible for ensuring overall accountability and performance. Youngquist suggested that training of RDC Board members be mandated, either legislatively or through the local government associations. Youngquist urged the continuation of mandatory RDC dues from local governments based on the RDCs' dependence on dues for operating revenue and matching funds for state and federal programs.

Leonard discussed the cooperative agreement between the South Georgia RDC and Southeast Georgia RDC and their decision not to merge. The boundaries of the two RDCs comprise Service Delivery Region Eleven.

West discussed the unique relationship of the Regional Advisory Council (RAC) for Region Three to the Atlanta Regional Commission (ARC). The RAC also serves as the economic development committee of the ARC Board. West discussed the impacts of growth on long-term water supply and the partnership between Region One RAC in Northwest Georgia and the Region Three RAC on corridor management along Interstate 75.

Meeting Four – October 21, 1999

The committee heard from John Ahmann, DITT Deputy Commissioner for Strategic Planning and Research, Paul Radford, DCA Division Director for Rural Development, Wendell Dawson, Chairman, Oconee County Commission and Region Five Advisory Council Chairman, Saralyn Stafford, President, Douglas-Coffee County Chamber & Development Authority and Region Eleven Advisory Council Member, Eric Wilson, DITT Region Nine Planning and Workforce Development Representative, Adrienne Wood, DCA Region Six Regional Representative, Leamon Scott, DCA Region One Regional Representative, Gretchen Kuglar, DITT Region One Economic Development Representative, Winfred Owens, DCA Region Five Regional Representative, and Rick Brooks, DCA Division Director for Planning and Environmental Management.

In addition to the written response to questions, the presenters discussed the role of the RACs in guiding statewide and regional development policy. RDCs play a significant role in assisting small local governments and providing regional planning services. The RACs, on the other hand, serve as a forum to advise the state on regional development objectives and the use of state staff and resources. The benefits of reliable and stable funding for state staff and standard levels of qualification and training were also discussed.

Meeting Five – November 10, 1999

The committee discussed, debated and adopted findings and recommendations, which are listed herein.

Findings and Recommendations

1. Boundary Conformance of Regional Development Centers (RDCs) and State Agency Service Delivery Areas.

Finding: Boundaries of RDCs do not uniformly align with the State Service Delivery Region boundaries.

Finding: State agency boundaries are not uniform to the State Service Delivery Regions.

Recommendation: State agencies which provide regional development services should align their service delivery boundaries, to the maximum extent possible within budgetary and regulatory constraints, with those established under Georgia Code. Regional state development services should be further coordinated through a partnership of DCA, DITT and the RACs. All consideration should be given to making the boundary lines consistent between RDCs and Service Delivery Regions by revisions to one or the other, or both. Also, state departments and agencies, such as the Department of Human Resources, the Department of Community Health, the Department of Transportation and others, should be given every incentive to realign their service boundaries along these same lines.

2. Accountability and Performance of RDCs

Finding: RDC boards are responsible and accountable for any achievements or shortcomings in the performance of their RDCs.

Recommendation: In an effort to encourage greater participation by RDC board members in the management of RDCs, the General Assembly should require that RDC board members attend a training course through the Carl Vinson Institute of Government of the University of Georgia. Such a course should emphasize the importance of regional planning.

Finding: Although RDC boards are responsible to their member governments for their performance, the state does not have adequate representation on these boards to insure compliance with state interests in regional planning and coordinated efforts to maximize efficiency and conservation of natural resources.

Recommendation: The legislative delegations of each RDC should elect a legislative member to serve on each of the RDC boards of directors.

Finding: The Georgia Planning Act provides the RDCs with broad responsibilities in regards to regional planning.

Recommendation: The RDCs should perform regional infrastructure planning and programming including, but not limited to, water resources management planning, transportation planning, and telecommunications planning, pursuant to O.C.G.A. § 50-8-35(c), except as otherwise provided, and the state should consider providing adequate funding to develop regional development plans which are acceptable to DCA. The state should consider additional funding that is adequate to formulate local and regional development plans which are acceptable to DCA and which will include specific goals and objectives, both short and long term, that can be benchmarked and measured.

Finding: The General Assembly as a whole is not routinely provided an adequate update of the activities of the operations of RDCs across the state.

Recommendation: Provide an oversight forum through the appropriate Georgia Senate and House Committees that will share successful innovative programs found in other various areas of Georgia and other states that can be implemented on a regional basis, perhaps best by RDCs.

3. Local Government Dues

Finding: Local government dues are the primary source of stable funding for RDCs.

Recommendation: Although there was some disagreement within the Committee, the General Assembly should continue to support mandatory local government dues to RDCs, and that sanctions should be levied against counties and cities which do not pay RDC dues.

4. Regional Economic Development Services

Finding: Responsibilities of RDC staff in the area of economic development differ but often overlap with the responsibilities of the regional staff of DCA and DITT. RDC economic development functions are primarily a representation of existing community infrastructure and support available to new and expanding businesses, while DCA/DITT is primarily involved with the solicitation and marketing to prospective industries. RDCs frequently are requested to implement the plans formulated by DCA/ DITT for economic development efforts

Recommendation: The Committee urges that RAC and RDC boards across the state continue to maintain overlapping membership, and continued refinement and coordination of economic development activities.

Finding: RDC boards primarily represent the interests of local governments in development planning for the region while RACs represent public and private sector consensus on development priorities for state investment and services. The primary role of RDCs, as specified in the Georgia Planning Act, is to provide assistance to local governments with comprehensive planning. Beyond these basic planning services supported by state and federal contracts, RDC activities and programs in other areas, including economic development, vary between regions.

Recommendation: Allow RDCs to implement programs and projects, including the provision of direct services, as deemed appropriate by local governments. Provision of these services can be provided across RDC boundaries upon approval of the impacted RDC's boards of directors.

Finding: The state has a role to play and an obligation to assist local economic development efforts, but different areas of the state have different economic

development needs.

Recommendation: The allocation of \$600,000 on an equal distribution basis without any pre-planning as to the use of these funds for economic development services appears unwarranted, but a grant fund for specific economic development projects proposed by individual RDCs and evaluated and approved by the DCA would assist local governments in their efforts and stimulate the planning process.

5. **Continuing the Study Committee's Work After the 2000 Session**

Finding: There are many ways the General Assembly can act as a catalyst to provide the tools and platforms needed by RDCs to carry out the many responsibilities they have to their member communities across Georgia. Additionally, the complex interactions each RDC encounters in relation to the many governmental entities, both local, state, and federal, require further examination by the General Assembly.

Recommendation: The General Assembly should recreate the study committee following the 2000 Session.