

Steady progress

A report to the community from the Natural Areas Program Performance Oversight Committee

The Natural Areas Program continued to make steady progress during the last year, building on the strong work accomplished since the program began.

Portland area voters expressed the value they place on natural areas when in 2006 they passed the \$227.4 million bond measure that funds Metro's Natural Areas Program. As mandated by the bond measure, the Natural Areas Program Performance Oversight Committee provides independent citizen review to help ensure this money is well spent. Our charge is to determine if the program is on the right path in terms of structure, management, expenditures, personnel and achievement of defined goals. This is our fifth annual report to the Metro Council and the community, presenting our findings on how the program has progressed during the period from July 2012 through June 2013.

"Progress" can be defined as movement forward toward a goal or as satisfactory development, growth or advance. With this definition in mind, the Oversight Committee believes the Natural Areas Program continued to make steady progress over the last year, building on the strong work accomplished since the program began:

- Program expenditures through June 2013 total approximately \$162 million, about 71 percent of the total bond measure amount.
- Regional acquisitions, local share projects and Nature in Neighborhoods capital grants are on track to fulfill the intent and goals of the bond measure.
- Sound management and staffing, effective tools and appropriate evaluation processes are working well.

Highlights of the program status and accomplishments are presented on the following pages. We also make recommendations we will follow up on during the next year to ensure the ongoing success of the program.

As designated in the 2006 bond measure, Metro's Natural Areas Program acquires and preserves natural areas throughout the Portland metropolitan region to safeguard water quality, protect fish and wildlife habitat and ensure access to nature for future generations. The program has three components:

- Regional acquisition: The acquisition of 3,500-4,500 acres from willing sellers in 27 target areas (\$168.4 million).
- Local share: \$44 million allocated to local governments for park improvement projects and locally important acquisitions.
- Nature in Neighborhoods capital grants: \$15 million for grants to community groups, nonprofits and local governments for projects that "re-green" or "re-nature" neighborhoods.



Metro has created a program that has steadily grown to protect the best of our region's open spaces for the future.

—Drake Butsch, committee chair

REGIONAL ACQUISITION

The Oversight Committee continues at each meeting to review dashboard reports that provide useful information about acquisitions in each of the 27 target areas (20 natural areas and seven trail/greenway corridors). These reports show that:

- This year, Metro acquired 377 acres of natural areas. Acquisitions to date total 4,313 acres, exceeding the overall goal of 3,546 acres.
- Metro has acquired 274 acres of trails and greenway corridors. Several of these acquisitions will help fill missing sections in trail networks throughout the region.
- Total expenditures for regional acquisition to date are \$120.6 million, about 72 percent of the \$168.4 million allocated in the 2006 bond measure.
- The performance measures applied to all acquisitions indicate that the program is on track in terms of achieving water quality, wildlife habitat, public and financial benefits.
- There are still some target areas where few acquisitions have been made. Metro continually monitors these areas to identify and pursue acquisition opportunities.

Based on this information, the committee is satisfied with the progress of regional acquisition.

The committee recommended last year that staff should apply the performance measures to all target areas as a whole to obtain a composite picture of program performance and benefits. With more consideration, however, staff and the committee determined that the results would be too general to be of use. Instead, staff will continue to apply the performance measures to individual target areas to assess the cumulative effects of multiple acquisitions within each area.

Recommendations

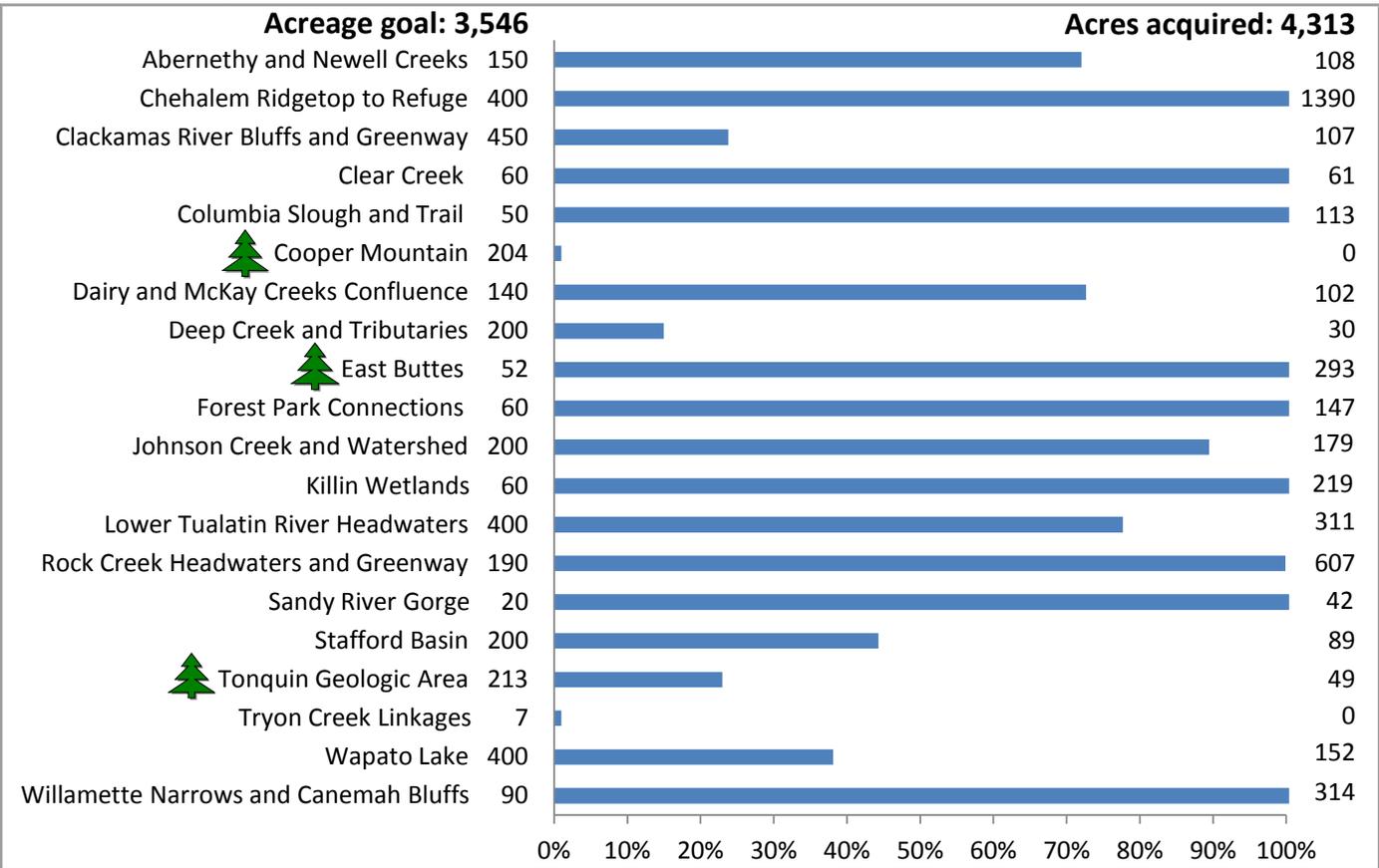
- Staff and the Oversight Committee should continue to track progress in target areas where few acquisitions have been made to date.
- The Oversight Committee should assess the process for evaluating acquisition opportunities outside of target areas.

OVERSIGHT COMMITTEE MEMBERS

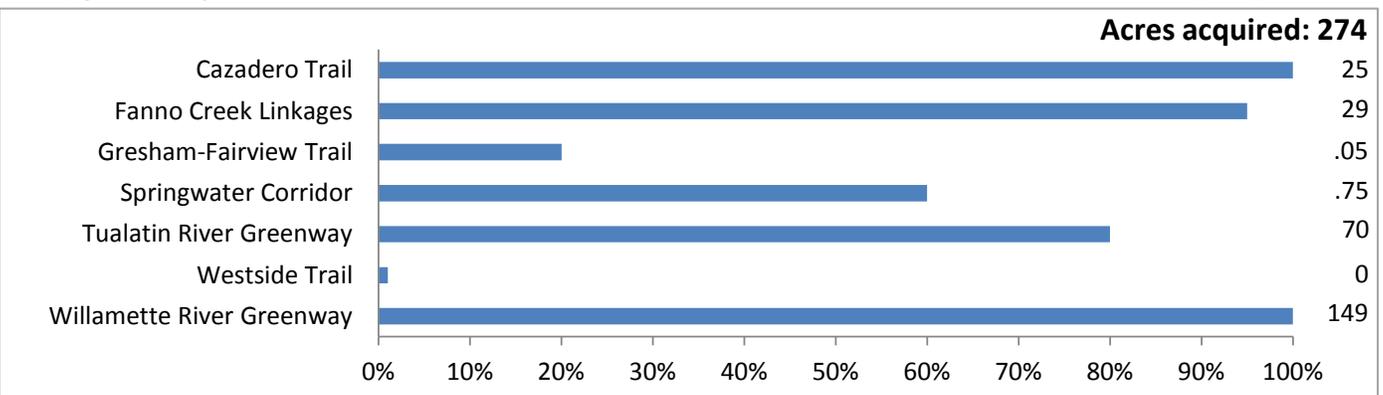
Drake Butsch	Builder's Services Manager/VP, First American Title
Dean Alterman	Attorney, Folawn, Alterman & Richardson LLP
Michelle Cairo	Chief Financial Officer, Opus Solutions
Bill Drew	Attorney, Elliott, Ostrander & Preston, PC
Christine Dupres	Project Manager, National Policy Concensus Center
Autumn Hickman	Senior Vice President, Umpqua Bank
Walt McMonies	Attorney, Roberts Kaplan LLP
Rick Mishaga	Wildlife Ecologist, Environmental Consultant (Retired)
Peter D. Mohr	Attorney, Jordan Ramis PC
Shawn Narancich	Vice President of Research, Ferguson Wellman Capital Management
Andrew Nordby	Principal Broker, GRI, SRES, Re/Max Equity Group
Norman Penner	Lt. Col., MSC Retired; Board Member, Friends of the Tualatin Refuge and Washington County Visitors Association
Kendra Smith	Willamette Watershed Program Director, Bonneville Environmental Foundation
Cam Turner	Principal, United Fund Investors

DASHBOARD REPORT HIGHLIGHTS June 30, 2013

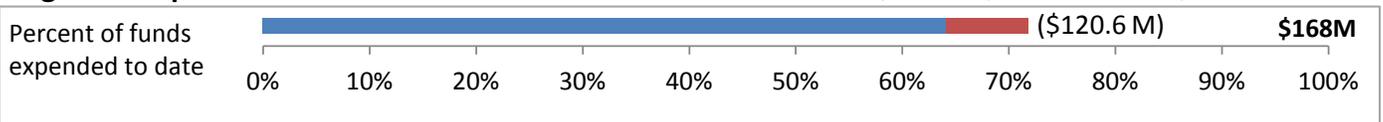
Natural area acquisition  **Park built**  **Percent of 2006 refinement plan acreage goals met or exceeded**



Trail/greenway corridors  **Percent of 2006 refinement plan goals met**



Regional acquisition  **Regional acquisition funds expended through 6/30/12**  **Regional acquisition funds expended FY 2013**



LOCAL SHARE

This year, local jurisdictions expended \$5.6 million for local share projects. To date, local jurisdictions have expended \$36.6 million for local share projects, representing 83 percent of the total \$44 million allocated to this program component. This comprises a total of 93 acquisitions, 45 park improvement projects and nine trail enhancements.

In response to the committee's recommendation last year to develop performance measures for local share projects, staff created a new summary report that combines quantitative and qualitative information about this program component. The committee reviews an updated report at every meeting and believes the reports serve as an appropriate evaluation tool in lieu of performance measures.

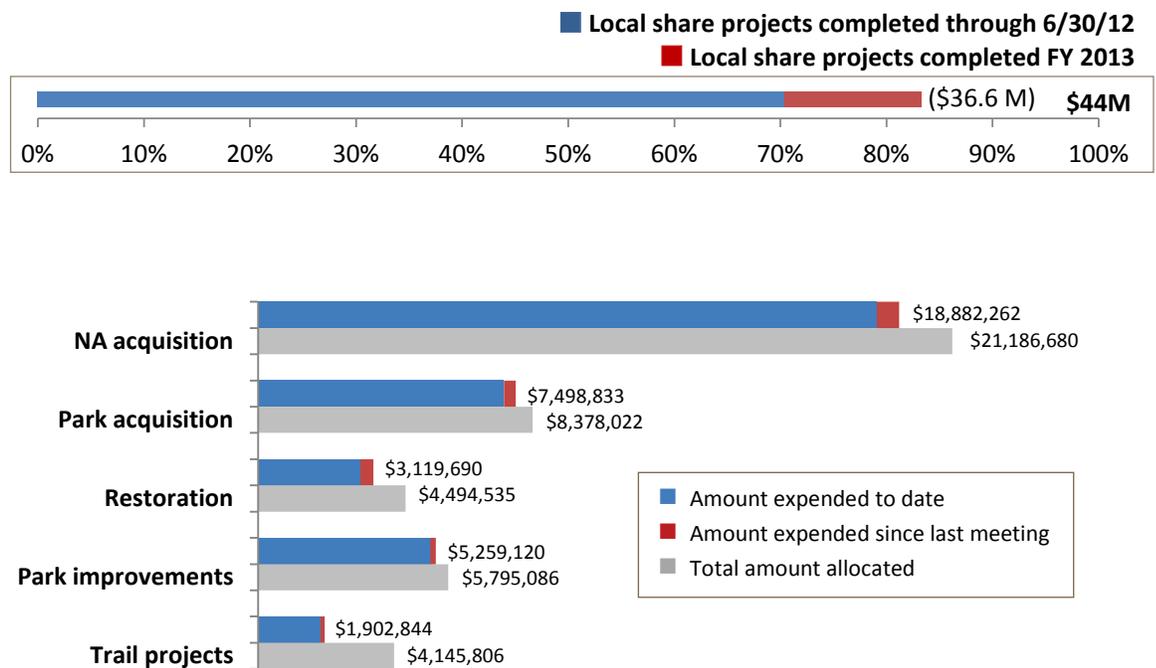
Staff also conducted a survey in summer 2012 to help evaluate program performance and benefits to local communities. The survey results show that both the program and Metro are well regarded by the participating agencies and that many examples of successful leverage and partnerships have occurred.

The Oversight Committee agrees that the local share component is progressing satisfactorily.

Recommendation

- The Oversight Committee should continue to monitor expenditures within the local share program via the summary report.

DASHBOARD REPORT HIGHLIGHTS June 30, 2013



The capital grants program was designed to stimulate innovation by encouraging new agency/community partnerships and allowing a variety of matching funding sources. This approach has been borne out by the success of projects that would likely otherwise not have occurred. For example, Friends of Trees and the Oregon Department of Transportation recently completed a three-year planting project along the Interstate 205 pedestrian path, which serves as a model for other roadside landscaping projects.

The Oversight Committee is kept apprised of this program component through a new capital grants summary report developed by staff and through periodic briefings

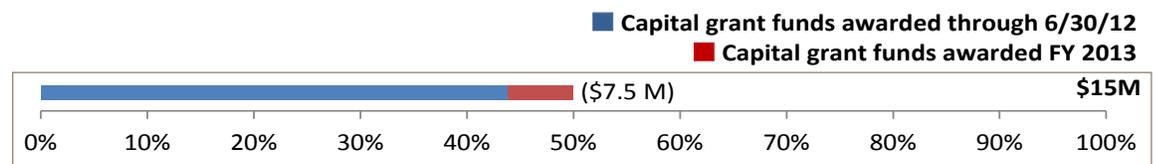
by the chair of the Capital Grants Review Committee. Performance measures, grant review reports and closing memos also continue to serve as tracking and evaluation tools.

The committee believes this program component has adequate tools in place, is demonstrating advantageous flexibility and innovation, and is on track to meet goals.

Recommendation

- The Oversight Committee should review the capital grants program and the selected projects following each award cycle.

DASHBOARD REPORT HIGHLIGHTS June 30, 2013



Project type	Number of projects	Amount awarded
Acquisition	7	\$2,937,681
Urban transformation	4	\$1,435,811
Restoration	9	\$1,734,304
Neighborhood livability	8	\$1,391,241
Total	28	\$7,499,037

Program staff are very receptive to the committee's concerns of how bond funds are used, providing members opportunity to both question and understand how and why certain commitments to acquisition and other programs have been made as they have. —Peter Mohr, committee member

OTHER OVERSIGHT COMMITTEE REVIEW

TERRAMET: NATURAL AREAS INFORMATION SYSTEM

The Terramet information system provides a single integrated database for the Natural Areas Program. Phase I has been in place since July 2012 and Phase II began implementation in July 2013. The system provides accurate, up-to-date information about each acquired property, tracks restoration and land management activities, and facilitates data access and reporting.

The Oversight Committee agrees with staff that Terramet enhances program management and efficiency and will result in long-term savings. The committee also supports Metro's exploration of whether other groups could also use Terramet's framework to realize potential regionwide savings and coordination.

ADMINISTRATIVE COSTS AND STAFFING

The committee reviewed Metro's cost allocation system, which is based on federal guidelines. With this system, central services costs (such as accounting, information services, human resources and general administration) are allocated among various Metro programs, based on program budgets and other factors. A new allocation method implemented in fiscal year 2012-13 included capital costs in the program budget totals for allocation purposes. As a result, the Natural Areas Program's overall administrative costs (as a percentage of total program expenditures) were higher this year than in previous years. The Oversight Committee expressed some concern about this result, while noting that administrative costs over the course of the program still average only 6.44 percent, well under the 10 percent limit required by the bond measure.

Last year, the program had turnover with three of its negotiators leaving Metro, which limited property acquisition. Other staffing levels appear to be adequate.

SITE STABILIZATION

Two years ago, the committee asked staff to make some changes in how acquired properties are stabilized to protect or improve site conditions. Staff reported this year that the revised guidelines, which emphasize each site's specific ecological characteristics and needs, are working very well.

UNUSUAL CIRCUMSTANCES

Staff informs the committee of any unusual circumstances in property transactions that must be authorized by the Metro Council. The committee found the three transactions brought to the Metro Council last year to be an appropriate use of this process. For example, one acquisition involved the unusual procedure of bidding on the steps of the Clackamas County courthouse and resulted in a very cost-effective acquisition. Staff also continues to update the committee on the status of the Blue Heron Co. paper mill property (within the Willamette River Greenway target area). Metro is a partner in a master planning process for the site and could consider acquiring a portion of it for public access at a later date.

"IT'S OUR NATURE" COMMUNICATIONS INITIATIVE

Metro conducted the "It's Our Nature" communications initiative in summer 2011 to engage and inform citizens about the Natural Areas Program. The intent was to undertake similar public outreach campaigns every two years. In light of the five-year parks and natural areas local option levy passed in 2013, however, Metro decided instead to conduct combined public outreach for the levy program and the Natural Areas Program in summer 2014.

About Metro

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to providing services, operating venues and making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to changing climate. Together, we're making a great place, now and for generations to come.

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Bob Stacey, District 6

Auditor
Suzanne Flynn

Recommendations

- Metro staff should continue to pursue the potential use of Terramet by other regional groups.
- The Oversight Committee should review Metro's annual cost allocation method to ensure that it is equitable and that the program's administrative costs remain under 10 percent of program expenditures.
- The Oversight Committee should continue to monitor staff capacity to ensure it is adequate for program implementation.
- The Oversight Committee should continue to monitor the effectiveness of the site stabilization guidelines.
- The Oversight Committee should continue to monitor the application of unusual circumstances.

THE YEAR AHEAD

In the next year, the Oversight Committee will follow up on the recommendations made in this report and will review the Natural Areas Implementation Work Plan and opportunity acquisitions that arise outside of established target areas.

HOW TO LEARN MORE

We encourage you to learn more about Metro's Natural Areas Program and how you can be involved by visiting the Metro website.

We also welcome your feedback about what you would like to hear from us next year. Are there specific areas of concern or processes you think we should focus on? Please contact us with any ideas, suggestions or questions.

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For ongoing information, subscribe to GreenScene, Metro's quarterly guide to great places and green living.

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