

Taking measure

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

Our overall conclusion is that the Natural Areas Program is on target toward meeting the goals of the 2006 bond measure.

Metro's Natural Areas Program has acquired 2,846 acres of regional natural areas since 2007. Local jurisdictions have expended \$22.2 million to open new parks, improve others and acquire natural areas land. Community groups and other local partners have been awarded 18 grants for projects that enhance natural areas.

These numbers show that after four years, the Natural Areas Program is about halfway toward meeting the acquisition and expenditure goals of the 2006 bond measure that funds it. Although the \$227.4 million bond measure does not specify a completion date, the previous open spaces bond measure passed in 1995 was substantially completed within 10 years.

This is one type of information the Natural Areas Program Performance Oversight Committee considers in taking measure of the program's progress. As an independent citizen committee, we are charged with making sure the program's policies, processes, business practices and administration are on track. This is our third report on our work, covering the period from January 2010 through June 2011.

In our first year, we took a broad view to determine if the program was being conducted in ways that are accountable and transparent. The second year, we looked at whether the program was able to stay on course in light of the challenges presented by the economic downturn. Both years, we worked with Metro staff to develop tools to help monitor the program and assess if objectives are being met and any improvements are needed.

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 natural areas: The acquisition of 3,500-4,500 acres from willing sellers in 27 target areas (\$168.4 million).

Local share projects: \$44 million allocated to local governments for park improvement projects and locally important acquisitions.

Nature in Neighborhoods capital grants program: \$15 million for grants to community groups, nonprofits and local governments for projects that "re-green" or "re-nature" neighborhoods.

This year, we focused on fine-tuning the assessment tools to allow for a more comprehensive understanding of program performance. While numbers such as acres acquired and money spent are important, it is also important to consider more qualitative issues. For example, how can Metro evaluate project benefits and outcomes? What are the best approaches to maintain and enhance properties once they are acquired? Are appropriate procedures in place for property transactions that have unusual circumstances? Is there a way to assess whether the program as a whole is improving the ecological health of the region?

Our overall conclusion is that the Natural Areas Program is on target toward meeting the goals of the 2006 bond measure. We also recommend some additional fine-tuning of program measures and procedures. As we proceed into the next year, we will continue our commitment to help ensure the program is working well to preserve and protect our region's valued natural areas.



I came onto the committee not really knowing what it would involve, but thanks to the Metro staff and other committee members, I quickly learned that our role was an important one and we were providing significant oversight. Staff members were willing to share information with us and provide answers to our many wide-ranging questions about their activities. As a result, this report clearly sets forth the progress that has been made.

– Norman Penner

OVERSIGHT COMMITTEE MEMBERS

Linda Craig (chair)	CPA, Linda S. Craig LLC
Dean Alterman	Attorney, Folawn, Alterman & Richardson LLP
Drake Butsch	Land development consultant, Portland
Michelle Cairo	Chief Financial Officer, Opus Solutions
Bridget Cook	Executive Director, Adelante Mujeres
Christine Dupres	Project Manager, National Policy Consensus Center
John Esler	Project Manager, Portland General Electric
Dave Evans	Senior Vice President and CFO, The ODS Companies
Kay Hutchinson	Director of Programs, Reach
Sindy Maher	Attorney, Dunn Carney
Walter McMonies	Attorney, Lane Powell P.C.
Rick Mishaga	Wildlife Ecologist, Independent Consultant
Shawn Narancich	Vice President of Research, Ferguson Wellman Capital Management
Andrew Nordby	Principal Broker, GRI, SRES, Prudential NW Properties
Norman Penner	Lt. Col., USAF, MSC Retired; Board Member, Friends of the Tualatin Refuge and Washington County Visitors Association
David Pollock	Senior Advisor and Director, Ashoka, Ecotrust Forest LLC
Autumn Rudisel	Senior Vice President, Umpqua Bank
Kendra Smith	Willamette Watershed Program Director, Bonneville Environmental Foundation
Dietra Stivahtis	Vice President, Fidelity National Title
Cam Turner	Principal, United Fund Advisors
Steve Yarosh	Real Estate Broker, Irma Valdez Properties

PROGRAM ASSESSMENT

In response to committee recommendations over the past three years, Metro has developed and refined several tools to help assess program progress, including dashboard reports and qualitative performance measures.

Dashboard reports

Dashboard reports are a periodic snapshot of each program component’s status, providing quantitative information such as the number of acquisitions or projects, acreage, expenditures and percent of goals met to date. The oversight committee reviews these reports at each meeting and discusses whether any program revisions may be warranted. The highlights below summarize dashboard report information as of June 30, 2011.

Overall target area acquisition to date is 2,846 acres – about 70 percent of the mid-range goal of 4,000 acres. This includes the 1,143-acre Chehalem Ridge, a very large tract that was not anticipated in the original acquisition estimates. Excluding Chehalem Ridge, about 43 percent of the 4,000-acre goal has been reached to date. In 15 of the 27 individual target areas, acquisitions to date are at least 50 percent of the target area goal.

Total trail/greenway corridor acquisition to date is 14,360 linear feet (2.7 miles).

Local share projects: Local jurisdictions have expended \$22.2 million, representing 51 percent of the total \$44 million allocation.

Nature in Neighborhoods capital grants program: Grants have been awarded to 18 projects, representing 31 percent (\$4.7 million) of the total \$15 million allocation.

Conclusion

Four years into the program, acquisition rates and expenditures suggest the program is on target in terms of meeting its goals within a 10-year timeframe.

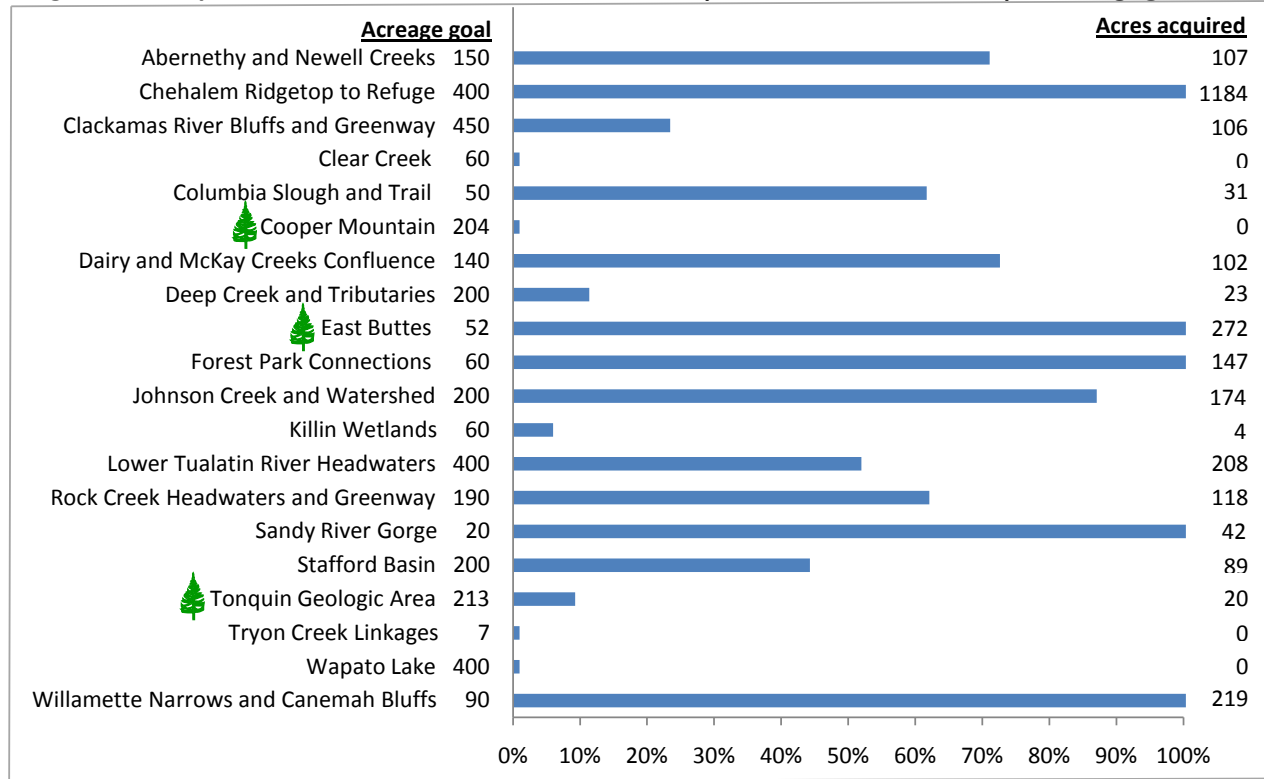
DASHBOARD REPORT HIGHLIGHTS June 30, 2011

Target Area Acquisition



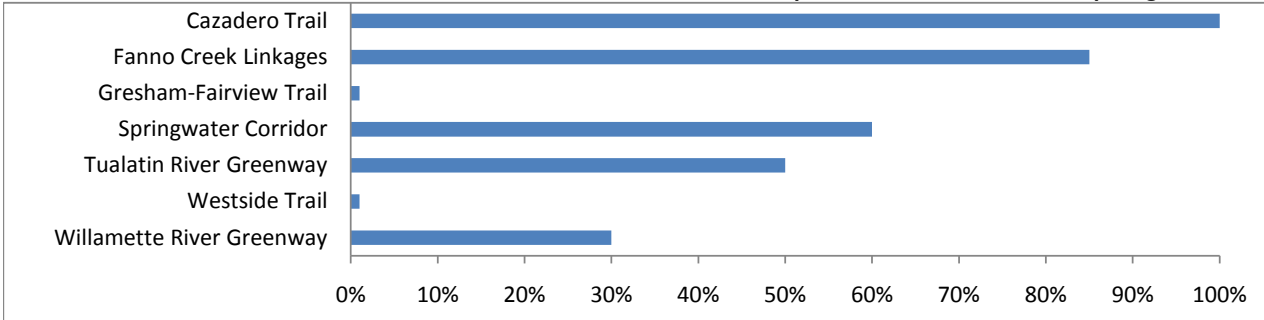
park built

■ percent of 2006 refinement plan acreage goals met



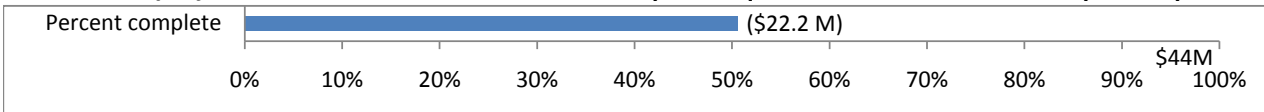
Trail/Greenway Corridors

■ percent of 2006 refinement plan goals met



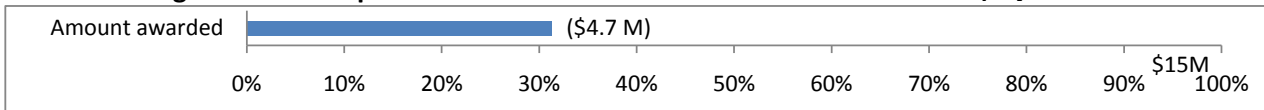
Local Share projects

62 new parks acquired 4 trails enhanced 24 parks improved



Nature in Neighborhoods Capital Grants

18 projects awarded to date



Qualitative performance measures

While dashboard reports provide quantitative information, qualitative performance measures are a way to account for other benefits of each acquisition and project.

- Qualitative performance measures were first developed and applied to regional acquisitions, providing at-a-glance information about water quality and wildlife habitat benefits, public benefits and financial benefits. They are now an integral part of staff evaluation of each land acquisition, as well as a tool for oversight committee review. Metro continues to refine these performance measures to make them as useful as possible.
- Last year, staff developed performance measures for capital grants projects, in the form of project award reports and project completion reports. The project award report rates the project based on the outcomes envisioned by the grant applicant and its partners. It also identifies project

A citizen advisory group is useful only if it has timely access to performance data. Metro staff was quick to design a chart that allows us to see how the program has progressed. This has helped us do our job and track the land acquisition targets. I've found staff to be open to our suggestions and willing to supply any information we requested. – John Esler

From a realtor's point of view, I appreciate the way Metro has acquired property from land owners at market value. Also, the improvements being made along the Trolley Trail have helped freshen up the surrounding community. – Andrew Nordby

I'm pleased to see that Metro has successfully adapted the program to include trails acquisition as well as natural areas and parks. – Dean Alterman

risks and the factors that will be used to measure successful implementation. The project completion report is a retrospective look at how well the project succeeded in achieving the envisioned outcomes.

Recommendations

- In addition to performance measures for individual acquisitions and projects, an assessment of combined benefits could help determine if the overall program is improving the ecological health of the region. We recommend that staff investigate how this composite assessment could be designed.
- Staff should develop performance measures for local share projects, taking into account that local jurisdictions select and implement these projects.

SITE STABILIZATION

Stabilization is the work necessary to secure an acquired site to reduce hazards and prevent degradation of its intended use and value – for example, addressing invasive species, tree health, revegetation and erosion. Staff develops a stabilization plan when a site is acquired. Current staff guidelines require completion of the stabilization work within two years of the acquisition.

Although stabilization costs currently account for less than 1.8 percent of the total bond proceeds expended, the stabilization process is critical. If properties can be stabilized and are trending toward ecological health, less money will be required for site management in future years, and the value of the investment will be maintained or increased.

Given the importance of site stabilization, we worked with Metro's scientists to investigate whether current stabilization practices adequately address ecological site conditions and ensure that properties will not further degrade. The work resulted in the two recommendations below. Staff has responded to these recommendations by drafting new stabilization guidelines that will be tested over the next year to see if they work more effectively to achieve the goal.

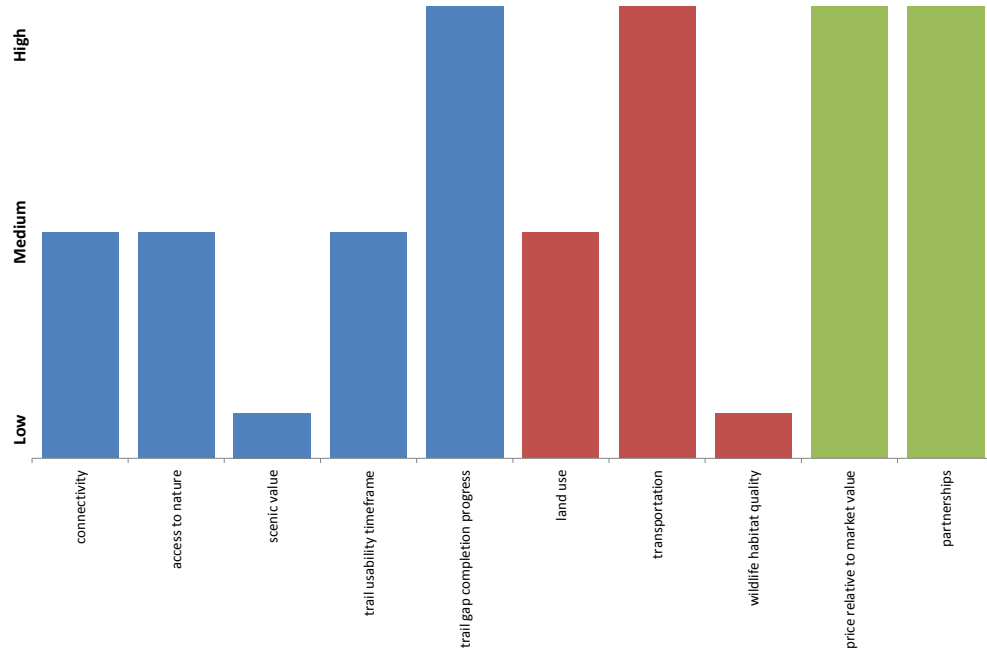
EXAMPLES OF QUALITATIVE PERFORMANCE MEASURES

Trail easements, such as a donation from Staples Corp. in the Columbia Slough target area, emphasize access to nature, as well as land use and transportation connections. Many new natural areas, such as the Fernald property in the Rock Creek target area, highlight water quality and wildlife habitat.

Staples Corp.

March 31, 2011

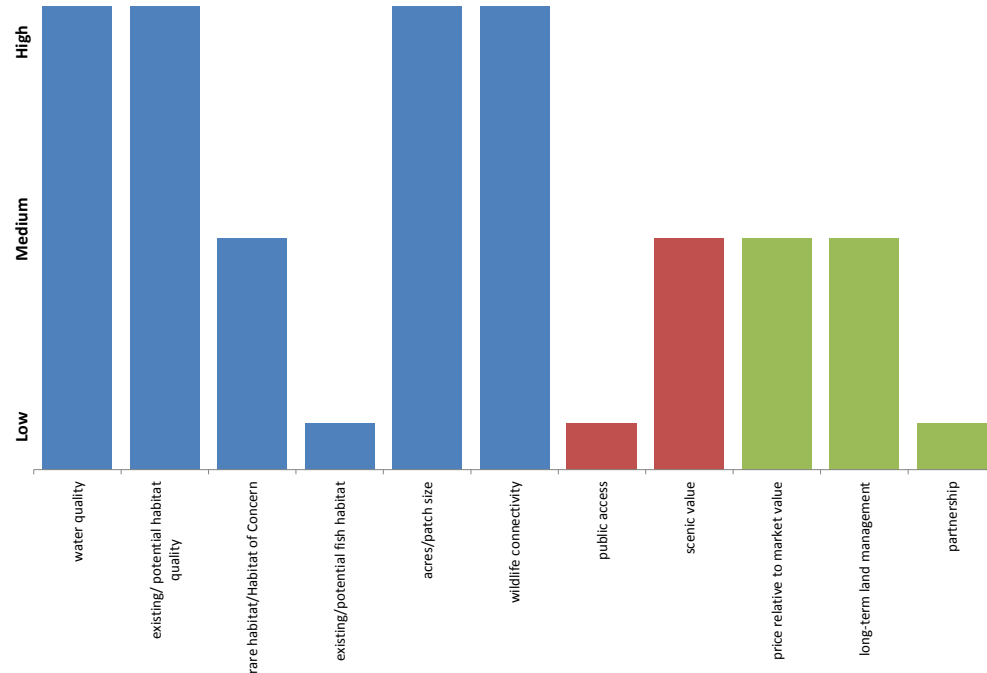
- Recreational benefits
- Environmental benefits
- Financial benefits



Fernald

April 21, 2011

- Water quality and wildlife habitat benefits
- Public benefits
- Financial benefits



Recommendations

- Clarify the definition of stabilization and refine stabilization criteria to further guide staff.
- Change the timeframe so stabilization is driven by site conditions rather than a “one-size-fits-all” two-year time limit. This would allow the process to adequately account for site scale, complexity and the time of year the land is secured.

PROGRAM ADMINISTRATIVE COSTS

As in the previous two years, we looked at program administrative costs to determine whether they are an appropriate percentage of overall expense relative to land purchases and grants disbursed.

The Metro team has been very open to suggestions regarding performance measurement methods. They have implemented new performance processes with enthusiasm and have continued to fine tune the measurements and apply them to other aspects of their responsibilities. Their commitment to excellence and desire to learn are an outstanding characteristic of our working relationship. – David Pollock

Conclusions

- Metro is allocating and accounting for administrative costs in accordance with federal office of management and budget guidelines for capital projects, and is following standard practice.
- Administrative costs have averaged 5.3 percent of total program expenditures to date. This is well under the 10 percent limit required by the bond measure.

I appreciate Metro staff's willingness to evaluate their processes to ensure the best possible outcome for the natural areas while being sensitive to both short- and long-term costs. They are true stewards of our regional natural areas, so thank them when you see them in the field! – Kendra Smith

UNUSUAL CIRCUMSTANCES

Metro staff has the authority to conclude property transactions within certain parameters, without case-by-case authorization by the Metro Council. Outside those parameters, staff must declare “unusual circumstances” and bring the transaction to the Council for discussion and authorization. The most frequent unusual circumstances requests are to pay more than the appraised value for an acquisition or to provide other compensation to the seller in addition to cash.

This year, we reviewed all acquisitions since 2006 that met the definition of unusual circumstances to determine if this mechanism is being used appropriately.

Conclusions

- Staff is using the unusual circumstances mechanism appropriately.
- Staff is providing reasonable explanations about the unusual circumstances purchases to the Metro Council and the oversight committee.
- Adequate checks and balances are in place to ensure the appropriate use of unusual circumstances, including review and approval by internal legal counsel.
- The current policies strike a reasonable balance between acquisitions that can be approved at the staff level and those that must be submitted to Council for approval.

Recommendation

- The oversight committee should continue to review unusual circumstances purchases annually to confirm the process continues to be used consistently and appropriately.

BOND SALE SEQUENCE AND CASH MANAGEMENT REVIEW

The 2006 bond measure authorized Metro to issue a total of \$227.4 million in bonds for the Natural Areas Program. Metro issued \$124 million in April 2007 and anticipates it will need to sell additional bonds by fall 2012 to continue the program's funding. The oversight committee discussed the timing and amounts of the bond sales with Metro staff.

We also reviewed the cash management and investment criteria and procedures Metro uses for the bond funds that are held in trust until they are expended. The State of Oregon establishes these procedures, and no deviations are allowed

I've served on a number of government committees, and I'm always concerned about program efficiency and effectiveness, so I asked questions of the staff to confirm not just efficiency but that Metro was following the voters' intention. I found that Metro uses federal guidelines for recording overhead costs, and that administrative costs for this program are carefully allocated. I think the program is well run. – Drake Butsch

Conclusions

- The oversight committee concurs with Metro's plan to issue bonds in one or two installments, depending on legal requirements and the bond market.
- We note no concerns regarding cash management and investment; Metro should continue with its normal practices and procedures.

OTHER OVERSIGHT COMMITTEE WORK

'It's Our Nature' outreach initiative

The oversight committee and the Metro Auditor have encouraged Metro to strengthen outreach and communicate progress on the Natural Areas Program. In response, Metro launched the "It's Our Nature" initiative, which uses a variety of approaches to inform and engage citizens and communities. The committee reviewed the draft plan and proposed some changes to reduce cost. We also asked staff to track and evaluate the outreach results.

Partners and future management

The Metro Council and the oversight committee are interested in the issue of long-term management of acquired properties. The committee heard a staff report on partnerships and resource leveraging across the region and advises a continued emphasis on partnerships to assist with future land management.

In the two years I've served on the committee, I've never ceased to be impressed with staff professionalism, transparency and attention both to detail and to the big picture – i.e., their obligation to our taxpayers. What's more, land acquisition is careful, thoughtful, and conducted with integrity. – Christine Dupres

As a banker, it was important for me to look at how Metro is managing the bond sale proceeds before they are spent and how they plan for new bond sales. Metro's fiscal officer reviewed their procedures with me, and I was reassured to find that best practices are being followed for the safety of the bond funds. – Autumn Rudisel

The Intertwine

The oversight committee views the Natural Areas Program as part of an overall regional system, rather than as a stand-alone program. We believe “The Intertwine” – an ever-growing network of parks, natural areas and trails – has great potential to unify the myriad resources and activities throughout the region. We will continue to monitor The Intertwine’s evolution and how the Natural Areas Program is integrated into it.

Natural areas information system

Metro is developing a new information system that will incorporate multiple databases, performance measures and program management reports. We are interested in seeing how this system might facilitate performance measures and program evaluation – for example, whether it could be used to help combine individual project performance reports into a program overview.

I chose to serve on the committee because the region’s quality of life is directly impacted by access to the outdoors and experiences enjoyed there. Visiting Graham Oaks Nature Park in Wilsonville was a highlight of my committee experience and brought firsthand insight into the types of acreage that Metro’s program is securing for the benefit of area citizens.
– Shawn Narancich

It has been an honor to work with Metro’s highly competent, entrepreneurial and professional staff. They solicit and implement advice from the committee, and Metro is on track to meet the bond’s acquisition goals. Our community will benefit from these land acquisitions for years to come. – Kay Hutchinson

I am impressed with the effectiveness of this program. Metro staff has an impressive system in place to ensure proper financial considerations are made on each purchase and the properties purchased meet the criteria set forth in this program. The program has helped create a strong foundation for our trail system and connectivity throughout the area. – Dietra Stivahtis

THE YEAR AHEAD

In the coming year, the oversight committee plans to direct attention to the following subjects, as well as continue to monitor the overall program.

Continue to work on the performance measures:

- Explore the feasibility of combining individual project performance reports into an overview that may help indicate whether the program is improving the ecological health of the region.
- Review the results of the capital grants projects performance criteria.
- Monitor staff progress on developing performance criteria for local share projects.

Review implementation of the new site stabilization guidelines.

Monitor development of the information system and how it might be used to create a program overview.

Assess the effectiveness of the “It’s Our Nature” outreach initiative.

I’ve been on the committee since its inception, and I’ve had the opportunity to visit many of the new natural areas and parks. Seeing these areas is the best way to get a true picture of how much is being accomplished. I think the voters will appreciate that they are getting good value for their money, and I am pleased the committee has been able to help ensure that outcome. – Linda Craig

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.

Website

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Phone

503-797-1545

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

www.oregonmetro.gov/greenscene



Metro | *Making a great place*

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 a changing climate. Together, we're making a great place, now and for generations to come.

Stay in touch with news, stories and things to do.

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