

Accumulating benefits

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

The accumulating benefits of the Natural Areas Program meet and in some cases exceed goals, and the program is in a strong position for the coming years.

Metro's Natural Areas Program has now been implementing the 2006 bond for five years. From the beginning, the Natural Areas Program Performance Oversight Committee has provided independent citizen review to ensure the program is well managed, spends money wisely, and fulfills the stated goals of the 2006 bond measure that funds it. This annual report to the Metro Council and the community reviews our work and presents our findings for the period July 2011 through June 2012.

Over the past year, the Oversight Committee was interested not only in individual program accomplishments, but also in the accumulating benefits of the program as a whole. We considered issues such as movement toward meeting program goals, the composite effects of multiple property acquisitions, the community context and outcomes for local share and capital grants projects, and the effectiveness of information systems and other program tools. Our conclusion is that the accumulating benefits of the Natural Areas Program meet and in some cases exceed goals, and the program is in a strong position for the coming years. This is evidenced by a summary of program status and accomplishments:

- Program expenditures through June 2012 total approximately \$140.2 million, about 62 percent of the \$227.4 million bond measure approved by voters.
- Under the regional acquisition component, Metro acquired 1,090 acres of natural areas last year, for a total of 3,936 acres. In addition, 2,395 linear feet (.45 miles) of trails and greenway corridors were acquired, bringing that total to 17,505 linear feet (3.32 miles) overall. Performance measures show that multiple property acquisitions, when considered as a whole, have positive cumulative benefits overall.
- Local jurisdictions have expended a total of \$31 million for local share projects, representing 70 percent of the total \$44 million allocated to this program component. This compares with total expenditures of \$22.2 million (51 percent) last year.

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 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.

- Metro awarded five Nature in Neighborhoods capital grants this year, bringing the total number of projects to 23. Together, the 23 grants add up to \$6.6 million (44 percent of the \$15 million allocation for this program component). This compares with a total of \$4.7 million (31 percent) last year.
- Metro conducted a second bond sale for the program in May 2012. That \$75 million will fund the program for an estimated three more years.
- Metro made good progress in developing and implementing tools to facilitate the program. These include TerraMet, a new information system that provides a single integrated database, and new function-based guidelines that improve the site stabilization process.



Implementation of the 2006 bond measure has been underway now for five years. The program is making steady progress toward meeting and even exceeding the goals set by the voters for use of the bond measure money. – Linda Craig

REGIONAL ACQUISITION

Dashboard reports

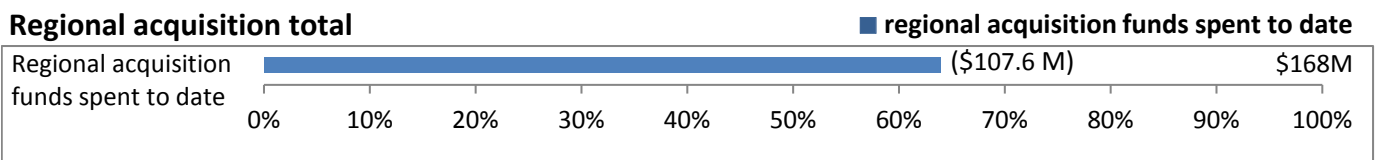
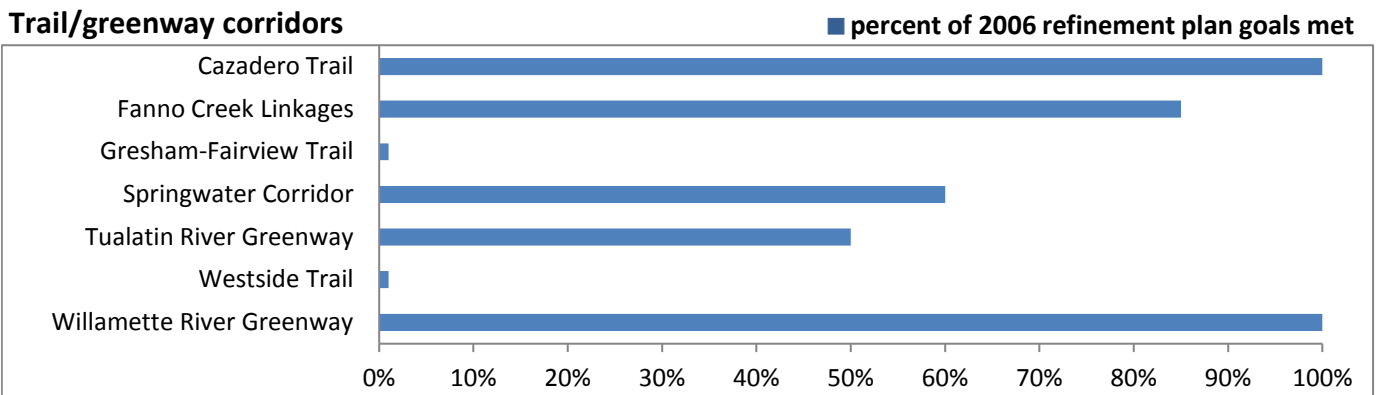
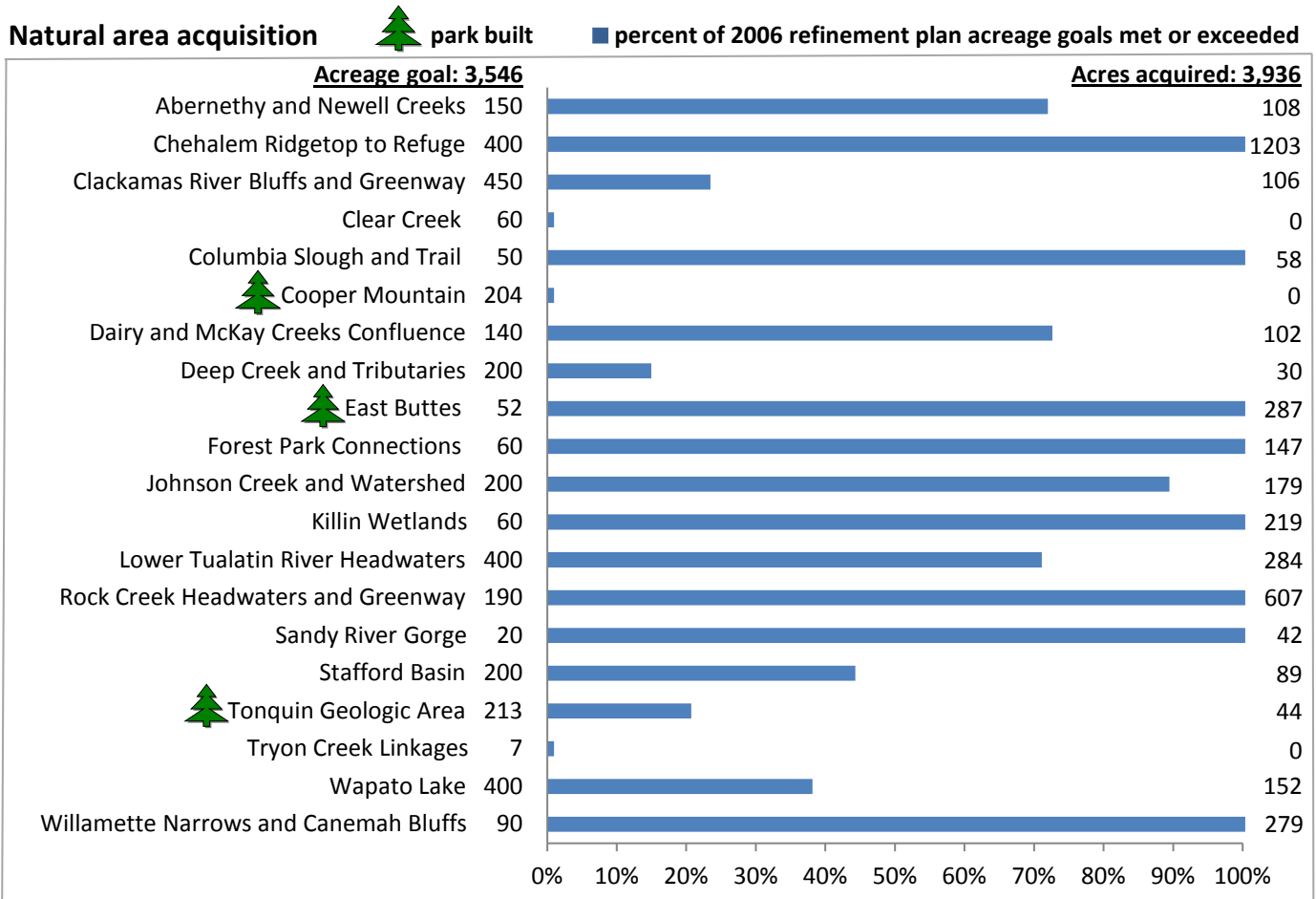
The Oversight Committee and Metro staff have continued to use dashboard reports as a key management tool that provides periodic information about each program component’s status. Staff updates them regularly, and the committee reviews them at each meeting to assess progress and ensure the program is on track.

For regional acquisition, the dashboard reports provide a quantitative snapshot of acquisitions in each of the 27 target areas (20 natural areas and 7 trail/greenway corridors). The reports compare acreage acquired to date with the acreage goals defined in detailed “refinement plans” for each target area. They also show expenditures to date.

- Total regional acquisition to date is 3,936 acres. Of this, 1,090 acres were acquired during the past year.
- Total trail/greenway corridor acquisition to date is 17,505 linear feet (3.32 miles), with 2,395 linear feet (.45 miles) acquired in the past year.
- Total regional acquisitions have already nearly reached the mid-range acquisition goal of 4,000 acres. Total expenditures for regional acquisition are \$107.6 million, about 64 percent of the \$168.4 million allocated in the 2006 bond measure.
- In 17 of the 27 target areas, acquisitions to date are at least 50 percent of the target area goal.
- In eight target areas, acquisitions exceed the goals. The program buys from willing sellers, so Metro purchases properties in excess of the goal if the additional properties meet the criteria and do not limit funding for purchases in other target areas.
- In several target areas, no acquisitions have been made to date. Due to the “willing seller” policy that governs this program, it’s not clear when Metro will be successful securing properties in these areas. Staff continue to pursue acquisition strategies in these areas, including contacts with property owners and community outreach.

OVERSIGHT COMMITTEE MEMBERS

Linda Craig (chair)	CPA, Linda S. Craig LLC
Dean Alterman	Attorney, Folawn Alterman & Richardson LLP
Drake Butsch	Builder’s Services Manager/VP, First American Title
Michelle Cairo	Chief Financial Officer, Opus Solutions
Christine Dupres	Project Manager, National Policy Consensus Center
Kay Hutchinson	Director of Programs, Reach
Walter McMonies	Attorney, Roberts Kaplan LLP
Rick Mishaga	Wildlife Ecologist, Environmental Consultant (Retired)
Peter D. Mohr	Attorney, Tonkon Torp LLP
Shawn Narancich	Vice President of Research, Ferguson Wellman Capital Management
Andrew Nordby	Principal Broker, GRI, SRES, Re/Max Equity Group
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
Cam Turner	Principal, United Fund Advisors
Steve Yarosh	Attorney, Yarosh Valdez PC



Performance measures

The Oversight Committee and Metro staff have continued to use performance measures to rate and evaluate natural area acquisitions. This integral tool provides qualitative information about each property's water quality and wildlife habitat benefits, public benefits, and financial benefits.

This year, the committee asked staff to apply the performance measures to each target area as a whole as well as to individual properties within the target area. The results show that multiple acquisitions can have positive cumulative effects. In the Johnson Creek target area, for example (see chart), the bottom bars show the outcomes when the ratings for all individual acquisitions are simply aggregated. The top bar shows the outcomes when the cumulative effects of the acquisitions are taken into account. In particular, the overall ratings for water quality and wildlife benefits increase because the combined individual parcels

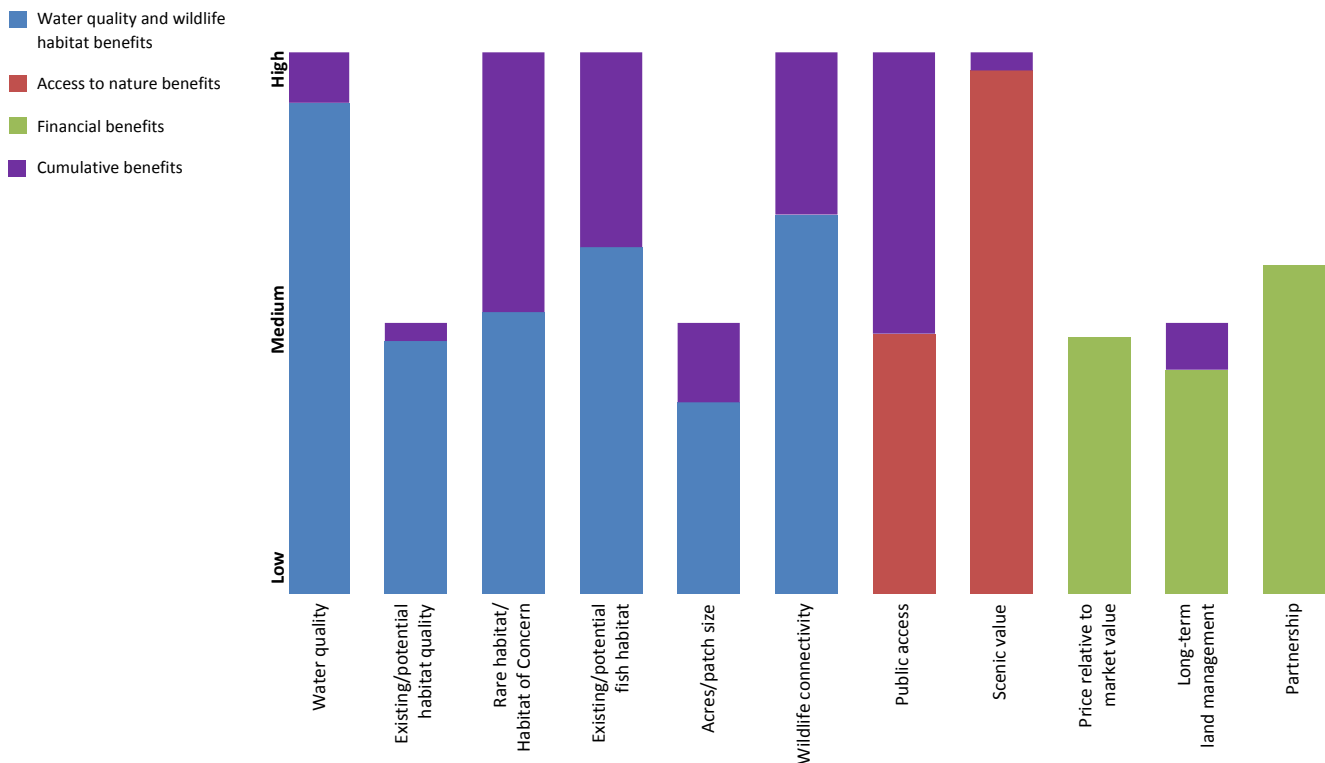
provide connectivity and contiguous habitat. In other words, the value of the whole is greater than the sum of the parts.

This overview also helps staff compare the status of each target area with the goals and objectives defined in the refinement plan for that area. Generally, the cumulative performance measures show that the acquisitions have closely tracked goals set in the refinement plans.

At the Oversight Committee's suggestion, staff will next apply the performance measures to all of the target areas together. This comprehensive view is made possible by Metro's new database (see page 8), which allows all of the program data to be integrated. The combined assessment will help the committee and staff determine whether adjustments are needed as future purchases are made, in order to strengthen performance in any of the goals set for the Natural Areas Program as a whole.

Johnson Creek and Watershed

Aggregate summary March 2012



Conclusions

- Five years into the program, property acquisition rates suggest the program is on target in terms of meeting and exceeding its goals within a 10-year timeframe.
- The performance measures demonstrate that the cumulative benefits of multiple acquisitions are greater than the benefits of the individual acquisitions considered separately.

Recommendations

- The Oversight Committee should continue to track progress in target areas where few acquisitions have been made to date.
- Staff should apply the performance measures to all target areas as a whole to obtain a composite picture of program performance and benefits.

LOCAL SHARE PROJECTS

Dashboard report

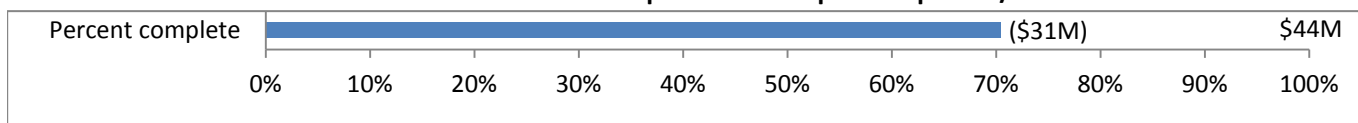
Staff provides updates about local share projects at each Oversight Committee meeting. To date, local jurisdictions have expended \$31 million, representing 70 percent of the total \$44 million allocated to them.

The priorities and budgets of local jurisdictions can change over time. As a result, some jurisdictions have needed to reallocate funds to different projects, redefine existing projects, or extend project timeframes. Metro recognizes this need for flexibility. At the same time, Metro staff tracks each project and works with the jurisdictions to ensure that projects are meeting program goals and requirements.

DASHBOARD REPORT HIGHLIGHTS June 30, 2012

Local share

77 acquisitions 37 parks improved/restored 6 trails enhanced



Type and number of projects	Amount allocated (% of total \$44 million local share allocation)	Amount expended to date
Natural area acquisition: 67	\$21,319,384 (48%)	\$17,998,339
Park acquisition: 10	4,745,554 (11%)	2,255,790
Park improvements: 25	5,228,839 (12%)	3,494,233
Restoration: 12	7,555,318 (17%)	6,215,289
Trail projects: 6	5,150,902 (12%)	1,611,423

Performance measures

Last year, the Oversight Committee asked staff to develop performance measures for local share projects. The committee's aim was to assess congruity between the specific guidelines for local share projects in the bond measure and how the money has actually been spent. Staff is considering how best to design appropriate performance measures that allow for the flexibility local governments have in selecting and implementing these projects.

As a first step, staff distributed a survey to the participating local jurisdictions in summer 2012 and will follow up with site visits and interviews with selected jurisdictions. The purpose is to learn about participants' experiences and assess how well the program is working. At the Oversight Committee's suggestion, survey questions included how projects fit into the jurisdictions' overall parks program; whether projects took advantage of leveraging and partnerships; hindrances to implementing the projects; benefits; and future maintenance and management issues.

Recommendation

Staff should continue to develop performance measures for local share projects and to evaluate, to the extent possible, benefits to local communities.

NATURE IN NEIGHBORHOODS CAPITAL GRANTS PROGRAM

Dashboard Report

The Oversight Committee is informed about the progress of the capital grants program at each meeting. In addition, an Oversight Committee member participates on the Capital Grants Review Committee that reviews and recommends proposed projects for funding. Funded projects to date fall into four general categories:

- Land acquisition: A well-established, straightforward way to preserve natural areas and future park land; often, the first step in a vision to create a nature park, establish trails, or restore habitat in a local community.

- Urban transformation: Opportunities that offer people more of an experience of nature in very urban settings – for example, planting native trees and shrubs along the I-205 bike path and an alley in downtown Cornelius that will act like a linear park.
- Restoration: Projects designed to improve habitat and water quality, as well as improve experiences for people; selected for their ecological value and how well they fit into a watershed context.
- Neighborhood livability: Projects that connect people to nature, or the experience of nature, in more urban environments.

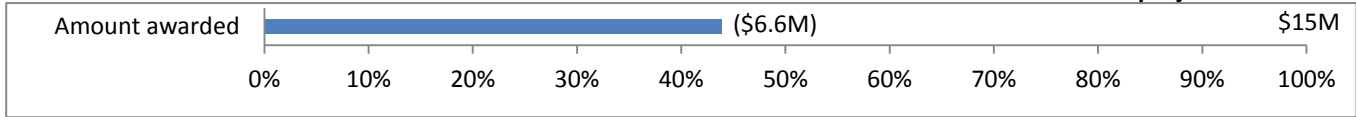
To date, grants have been awarded to 23 projects, representing 44 percent (\$6.6 million) of the total \$15 million allocation. About \$8.5 million is available for future projects, including unused funds from previously awarded projects.

As the dashboard report shows, there are differences between the amount awarded and the amount expended to date. As grant projects develop and are implemented, the details become more refined, costs change, and some project elements are scaled back or receive funding from other sources. The Capital Grants Program requires applicants to match the bond measure money with their own resources. One project proved infeasible when the grant partners were unable to secure the required match, and securing the match has slowed progress for some other projects. Any unexpended grant funds are rolled back into the grant program to be awarded to other projects.

The Nature in Neighborhoods grants are a well-conceived and highly effective way of introducing nature and green space into communities that are sometimes overlooked and ignored – and that's what I love most about them. – Steve Yarosh

Nature in Neighborhoods capital grants

23 projects awarded



Type and number of projects	Amount awarded to date (% of total amount awarded to date)	Amount expended to date
Land acquisition: 7	\$2,437,681 (37%)	\$2,008,545
Urban transformation: 4	1,441,279 (22%)	302,246
Restoration: 6	1,403,104 (21%)	2,000
Neighborhood livability: 6	1,351,342 (20%)	90,025

Performance measures

Responding to the Oversight Committee’s direction, staff developed the following performance measures for the Capital Grants program in 2011:

- **Community engagement:** Initiates or expands relationship between partners/ organizations; provides community engagement in the project.
- **Re-Green:** Improves access to nature.
- **Re-Nature:** Enhances ecological functions.
- **Multiple benefits:** Results in benefits for people and nature that extend beyond the scope of the project.
- **Cost-effective ecological design:** Integrates habitat or water quality improvements through innovative design.
- **Access to nature:** Enhances access to nature for people with disabilities.

The performance measures are documented at the time of the grant award and again at the time of project completion to assess the project’s success at meeting the anticipated outcomes.

Because many of these projects are multi-year, only four have been completed to date. As additional projects are completed, this performance review process will provide a broader view of the program’s accomplishments, as well as insight into lessons learned that can help in selecting future grants. Metro is also focusing on identifying and assisting underserved communities to be successful in the grant process.

Recommendation

As more capital grants projects are completed, the Oversight Committee should review the grant award reports and post-completion performance reports to assess the projects’ success in meeting the anticipated outcomes.

The Natural Areas Program continues to be staffed and run efficiently and effectively. – Dean Alterman

SITE STABILIZATION

Metro develops a stabilization plan for each acquired site, which outlines how to protect good conditions or move degraded property conditions toward an improving trend. Last year, the Oversight Committee suggested some changes to the stabilization guidelines in order to emphasize site-specific ecological processes. The committee recommended that the length and timing of the stabilization should focus on key ecological indicators for improved habitat goals. This approach is based on field evidence that the targeted condition has been stabilized, rather than on a fixed two-year time limit that is not necessarily tied to a site's specific needs.

In response, staff developed and started applying new function-based stabilization guidelines, with three basic components:

- Identify the desired future condition.
- Develop a stabilization plan, including benchmarks that define stable conditions.
- Conduct a transition site visit at the end of the major stabilization period.

This year, staff reported back to the committee that the new guidelines have resulted in a more thorough assessment of site conditions and better identification of desired future conditions. The benchmarks standardize stabilization activities and improve tracking of conditions over time. Because the stabilization guidelines are more flexible, bond measure money can be used more effectively, reducing the need to use general fund money in future years.

Conclusion

The new stabilization guidelines are a good response to the Oversight Committee's recommendations and will improve the very important stabilization process. The flexibility and defined benchmarks are of great benefit to the natural areas.

Metro's implementation of refined ecological criteria for site stabilization clearly demonstrates that science-based management makes sound economic sense.
– Rick Mishaga

NATURAL AREAS INFORMATION SYSTEM

This year, Metro began to implement TerraMet, a new information system that provides a single integrated database for the Natural Areas Program (both the 1995 bond measure and the 2006 bond measure). Aware that database projects can sometimes incur cost overruns, the Oversight Committee carefully followed the progress of TerraMet during its development.

Phase I, completed in July 2012, provides a single source of data for the land acquisition program and automates the acquisition workflow. Phase II, scheduled for completion in June 2013, will track restoration and land management activities on acquired properties and further improve reporting and data access for program staff. TerraMet will replace the previous use of more than 50 spreadsheets and data sets.

Another important function of TerraMet is that it enables staff to integrate all performance measure results in order to depict the cumulative effects of multiple acquisitions (as discussed on page 4).

Conclusion

Phase I was completed on time and on budget and appears to be working as intended.

Recommendation

The Oversight Committee should continue to monitor the application of Phase I of TerraMet and the development of Phase II.

The information system is an important tool for ongoing institutional memory and for an overall understanding and evaluation of maintenance for Metro's natural areas. – Kendra Smith

BOND SALE

Metro's first bond sale for the 2006 Natural Areas Program occurred in 2007, providing \$124 million to fund the program. A second bond sale, for \$75 million, occurred in May 2012 and will fund the program for an estimated three more years. This leaves about \$28 million of the authorized \$227.4 bond measure still to be issued.

Both Moody's and Standard & Poor's confirmed Metro's AAA bond rating, making Metro one of the few governments in Oregon with this rating. Metro sold the bonds in conjunction with Metro-operated Oregon Zoo bonds to save issuance costs. The buyer paid a premium to acquire the bonds, resulting in an additional \$14.7 million that can be spent on the program. The interest rate was 2.2 percent.

Conclusion

The bond sale was successfully conducted and is a significant milestone that will allow the program to continue to move forward.

The low interest rate on the bonds and the premium that was paid positions the Natural Areas Program well for the next three or four years. – Autumn Rudisel

ADMINISTRATIVE COSTS AND STAFFING

As in past years, the Oversight Committee looked at program administrative costs to determine if they are an appropriate percentage of overall expense relative to land purchases and grants disbursed. Administrative costs have averaged 6.08 percent of total program expenditures to date, well under the 10 percent limit required by the bond measure.

The committee also reviewed program staffing. The 2006 bond measure anticipated approximately 20 FTE employees. The current total is 22 FTE employees.

Conclusion

Administrative costs and staff levels for the program are appropriate.

OTHER OVERSIGHT COMMITTEE REVIEW

It's Our Nature communications initiative

Metro conducted an intensive three-month outreach effort in summer 2011 to engage and inform citizens about the Natural Areas Program. It involved multiple activities and events, including stakeholder tours; outreach booths at farmers markets and community events; presentations; distribution of informational materials; print, film, and radio advertising; and a website overhaul. The committee asked staff to track and evaluate the results and received a report on the number of people reached.

Total expenditures for the initiative were \$246,200. These expenditures are included in the administrative costs of the program, which have been well under the 10 percent administrative cost limit. Nonetheless, the Oversight Committee continues to discuss how much bond measure money should be spent to inform the public of the program's accomplishments. The committee believes that the goal is cost-effective information, and it will continue to monitor outreach efforts to see that the public is well served by the communication measures Metro employs.

I feel that Metro sets a course that is considered, careful and makes the most of taxpayer dollars, and that the Metro staff is cautious about how much is spent on communications and marketing. – Christine Dupres

Unusual circumstances

At the beginning of the bond measure's implementation, the Metro Council set guidelines for the staff's authority in conducting property transactions. A proposed acquisition or program expenditure that goes outside of these guidelines is considered to be an unusual circumstance, and staff must bring the proposed action to the Council for discussion and authorization. In last year's report, the Oversight Committee asked to continue reviewing unusual circumstances purchases to confirm that the process is used consistently and appropriately.

No transactions triggered the unusual circumstances process this year. However, staff briefed the committee about Metro's exploration of whether to submit a bid to acquire a portion of the former Blue Heron mill property at Willamette Falls, which is within the Willamette River Greenway target area. This could develop into an unusual circumstance next year.

Recommendation

The Oversight Committee should continue to track the status of the Blue Heron property acquisition and the application of unusual circumstances next year.

THE YEAR AHEAD

In the coming year, the Oversight Committee will continue to look at the cumulative results of the program to date and consider whether any adjustments are needed. It will also follow up on the recommendations made in this report, as summarized below:

Recommendations

- The Oversight Committee should continue to track progress in target areas where few acquisitions have been made to date.
- Staff should apply the performance measures to all target areas as a whole to obtain a composite picture of program performance and benefits.

- Staff should continue to develop performance measures for local share projects and to evaluate, to the extent possible, benefits to local communities.
- As more capital grants projects are completed, the Oversight Committee should review the grant award reports and post-completion performance reports to assess the projects' success in meeting the anticipated outcomes.
- The Oversight Committee should continue to monitor the application of Phase I of TerraMet and the development of Phase II.
- The Oversight Committee should continue to track Metro's public outreach for the program and to assess which measures best result in cost-effective information to the public.
- The Oversight Committee should continue to track the status of the Blue Heron property acquisition and the application of unusual circumstances next year.

A great and easy to understand system for analyzing acquisitions has been created and is working well. Now we must create new systems that see how these acquisitions tie together and strengthen one another. – Drake Butsch

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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503-797-1545

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

www.oregonmetro.gov/greenscene



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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.

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