

Gaining ground

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

The Natural Areas Program continued gaining ground on achieving the outcomes of the bond program during the last year, building on the strong work accomplished in previous years.

Metro's Natural Areas Program buys land from willing sellers and supports projects in local communities to protect wildlife habitat, preserve and restore regional watersheds, and increase access to nature for the people who live in the three-county region.

In 2006, Portland-area voters approved a \$227.4 million bond measure to fund the Natural Areas Program. Each year, as stipulated in the bond, the Natural Areas Program Performance Oversight Committee has provided independent citizen review to guide the program. At regular meetings with Metro staff, they ensure that projects and acquisitions funded with taxpayer dollars are managed well, staffed appropriately, utilize effective tools and performance measures, and meet the bond's defined goals.

This report from the Oversight Committee to voters and the Metro Council considers the progress of the program during FY 2015 from July 1, 2014 through June 30, 2015.

The committee has found that each of the three primary components of the program meets or exceeds the goals set in 2006. This is apparent from the following summary of program status and expenditures.

Regional acquisition

\$168.4 million to acquire 3,500-4,500 acres from willing sellers in 27 target areas

Acquisition expenditures were approximately \$12 million in FY 2015. Total expenditures for acquisitions stand at \$144 million, or 84 percent of the total \$168.4 million allocation. To date, 5,286 acres have been protected.

Local share

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

Local share expenditures were approximately \$700,000 in FY 2015. Cumulatively, local share expenditures stand at nearly \$41 million or 93 percent of the total \$44 million allowance.

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

The Metro Council awarded \$2.1 million to seven new projects in FY 2015. Cumulatively, \$14.2 million has been awarded to 47 projects. Of the total \$15 million allocation, 91 percent has been committed.



REGIONAL ACQUISITION

Metro acquires land – in 20 natural areas and seven trail/greenway corridors – from target areas identified in the 2006 bond measure.

Since 2007, 5,286 acres have been acquired and protected, substantially surpassing the overall acreage goal of the 2006 bond.

This year, Metro acquired 374 acres of natural areas. Those acquisitions include sites in two target areas that have been slow to come available:

- 246 acres in the Wapato Lake target area that will increase opportunities for long-term habitat restoration in the region and protect water quality.
- Five acres, important for connectivity, located between Metro’s Cooper Mountain Nature Park and several Tualatin Hills Park and Recreation District parks in Beaverton.

Other FY 2015 acquisitions are significant because they allow for more public access to nature, such as an 11.5-acre property adjacent to Metro’s Newell Creek Canyon holdings in Oregon City. The property offers an improved trailhead option.

This year Metro also added 48 acres that support implementation of the Regional Trails Plan including land along the Westside Trail and the Tualatin and Willamette river greenways.

Quarterly topics and discussion

At the March 2015 meeting, the committee discussed what happens when properties no longer fit within Metro’s management portfolio. Metro has sold two of the more than 400 sites acquired in the 1995 and 2006 bond measures, because they no longer fit its criteria. Staff explained the process for declaring a property surplus and then selling it. Proceeds are returned to the acquisition fund

The committee reviewed staff’s proposal to sell six additional properties and suggested improvements to criteria that staff were using to address concerns about overall public benefit, cost of future maintenance, water quality and connectivity.

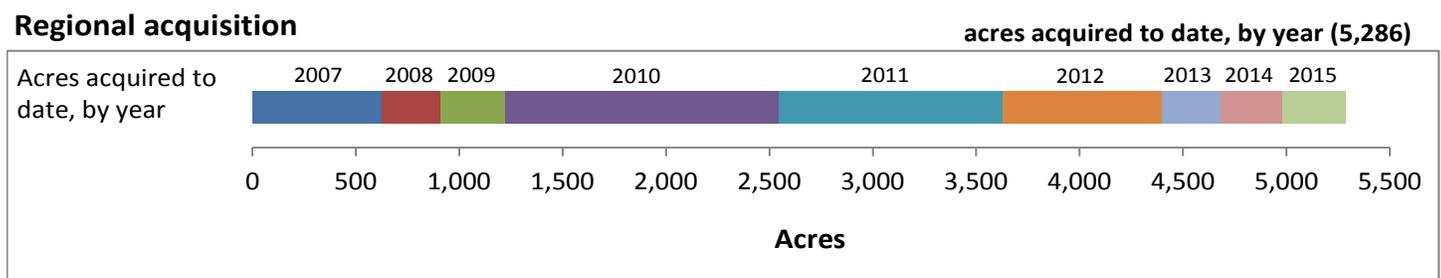
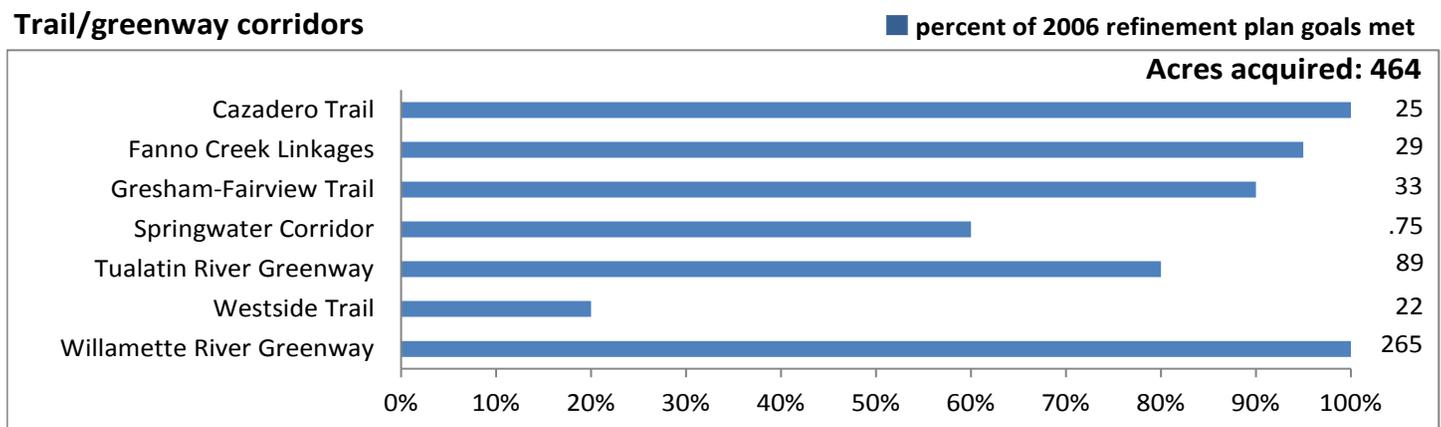
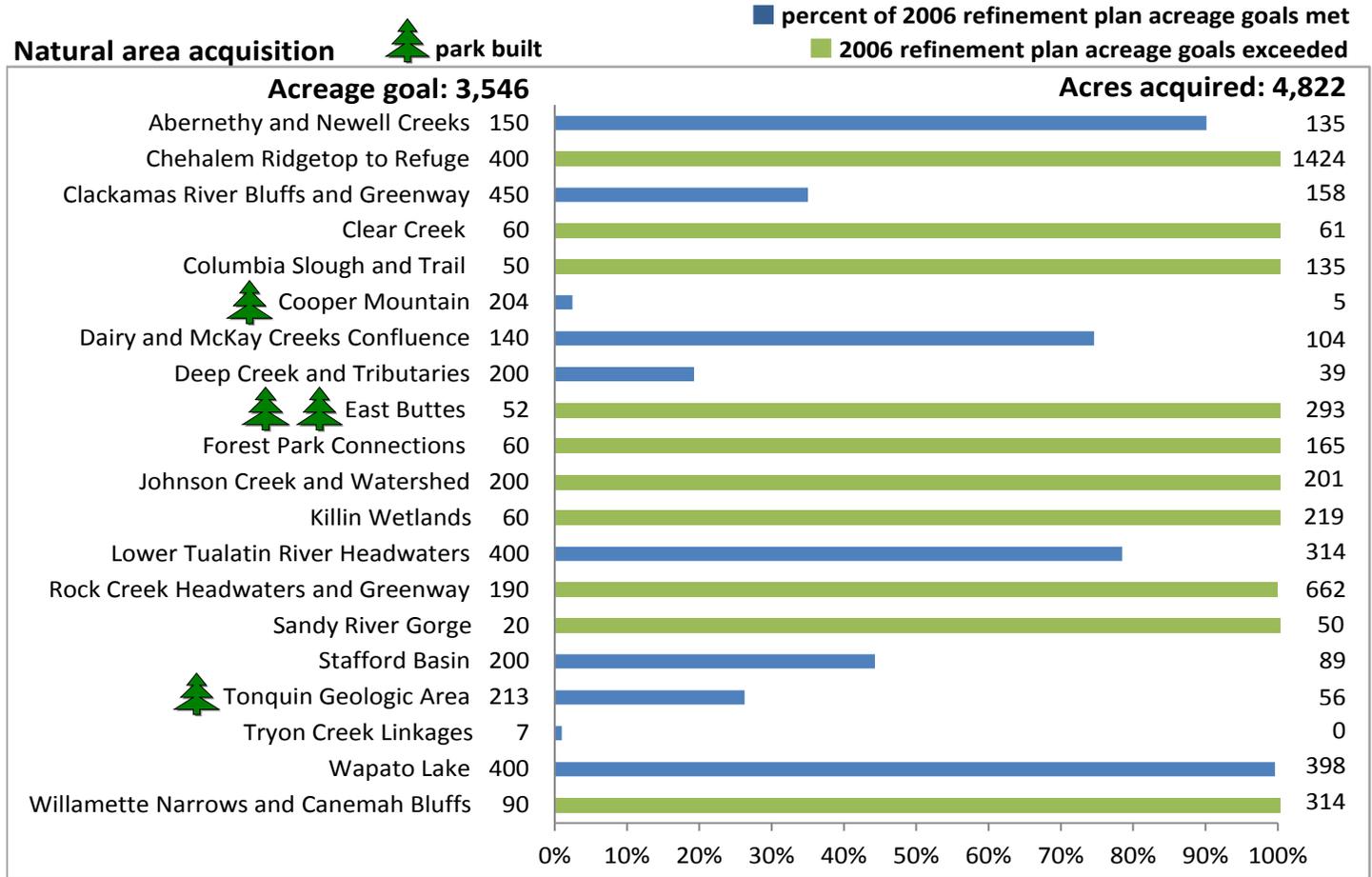
Conclusion and recommendations

The Oversight Committee is satisfied that the acquisition program has exceeded its acreage target within the bond’s 8-10 year timeframe and encourages Metro staff to keep trying new strategies to acquire properties in target areas where acquisitions have lagged.

The committee should work with staff to develop performance measures specific to trail acquisitions and projects.

Our next target for improvement can be measuring and monitoring the effectiveness of trail acquisitions – setting measurement goals for trails that are different from acreage to better measure how effectively we’re using money for trails and connectors. –Dean Alterman, committee member

DASHBOARD REPORT HIGHLIGHTS



LOCAL SHARE

Under the Local Share component of the bond, \$44 million is distributed on a per capita basis to 28 cities, counties and park providers within the Metro region to fund local acquisitions, restoration projects and trail and park improvement projects.

In FY 2015, local share expenditures were approximately \$700,000. At the June 2015 meeting, staff reported that \$41 million or 93 percent of the local share funds had been expended.

Intergovernmental agreements with local jurisdictions were renewed in March 2015 for one additional year. Staff is still working with local partners to complete their projects. Local projects have been delayed because of limited staff capacity, unavailability of willing sellers or time needed to complete project master plans. A few local governments have changed their projects due to these factors, and anticipate progress with new, approved projects.

As of June 2015, local share funds have been used to acquire 105 properties, enhance 17 trails and improve 49 parks across the region.

Quarterly topics and discussion

Staff provided a report of the year's local share expenditures at the March 2015 meeting. Natural area acquisitions – 661 acres acquired so far – represent nearly half of the local share funds allocated and spent.

Overall, 17 sites throughout the region have been acquired for park use; these range from small pocket parks to a large sports complex.

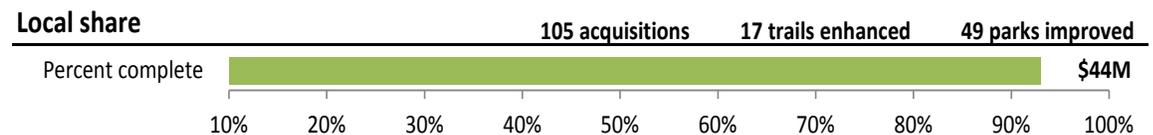
To date Metro's local share partners have leveraged their bond funds to gain nearly \$37.5 million in funding from other sources.

Conclusion and recommendations

With 93 percent of funds expended, the local share program is winding down. The committee should continue to monitor expenditures and progress using staff-provided reports.

The committee supports staff's approach of extending the intergovernmental agreements between Metro and its local partners to allow them to utilize remaining local share funds.

DASHBOARD REPORT HIGHLIGHTS



NATURE IN NEIGHBORHOODS CAPITAL GRANTS

Nature in Neighborhoods capital grants are made to neighborhood associations, schools, non-profits and community groups for projects that preserve or restore water quality and wildlife habitat, or increase the presence of nature in urban environments.

An Oversight Committee member participates on the Capital Grants Review Committee to assess proposed projects and provide additional accountability to voters.

This year saw the eighth round of grant applications. Ten applicants sought \$3.8 million in funding from approximately \$2.5 million in available funds.

The grants review committee recommended seven of these projects for funding for a total of \$2,138,183 and the Metro Council approved these grants in July 2015. This brings the total approved projects to 47 – although three have been declared infeasible and were withdrawn.

Of the total \$15 million allocation for capital grants, 91 percent has been committed with \$1.4 currently available for future awards.

Quarterly topics and discussion

So far 11 projects have been completed for expenditures of approximately \$5 million. Staff expect that the remaining projects will be mostly completed by the end of 2019. Project schedules can be long because of the need to raise matching funds, issues with permitting, agency schedules or unforeseen budget increases.

At the June 2015 meeting, staff told the committee that an Oregon Fellow sponsored by Portland State University and Metro will interview grant recipients this fall about the impact of Metro’s investments through the program.

The Capital Grants program was envisioned as a tool to explore how investments in the region’s more developed areas can contribute to regional conservation as well as healthy communities. Therefore, the

study will explore how awarded projects have addressed the objectives of the bond measure and advanced Metro’s desired outcomes for a livable region.

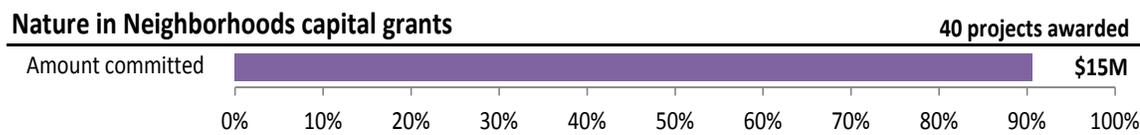
The committee discussed staff transition as both the capital grants and local share programs wind down. The programs share the cost of one full time position and significant work remains in managing capital grant project contracts and IGAs.

After tough discussions about which projects hewed most closely to the ideas of “re-naturing” and “re-greening,” I feel that capital grants were awarded to the most appropriate projects.
–Norm Penner, capital grants committee liaison

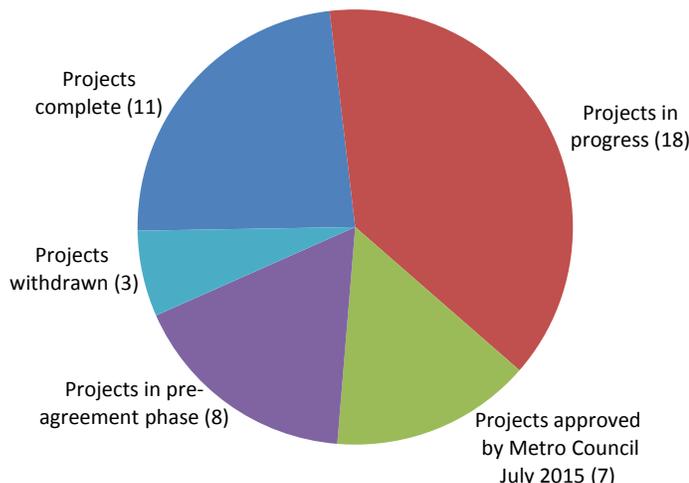
Conclusion and recommendations

The Nature in Neighborhoods Capital Grants program is winding down but ongoing projects still require active management and review. The committee should continue to assess projects for adherence to performance measures and ensure that the program is adequately staffed.

DASHBOARD REPORT HIGHLIGHTS



CAPITAL GRANTS PROJECT STATUS



OTHER OVERSIGHT COMMITTEE REVIEW

STABILIZATION AT ACQUIRED SITES

For every property it acquires Metro develops a stabilization plan that outlines how to ensure the site is put on a trajectory towards long-term ecological health. Measures called for include removal of invasive species (such as Scot's broom, English ivy and blackberries) and unwanted structures or enhancements to make sure the property is stable before it enters Metro's inventory of properties awaiting restoration, maintenance or other improvements.

The challenge for Metro in the coming years will be whether or not they can keep or enhance the quality of site conditions over time with increased public access and natural resource pressures such as climate change.

—Kendra Smith, committee member

At the December 2014 meeting the committee asked if Metro tracks costs per acre for acquisitions and stabilization. Going forward, stabilization costs will be easier to analyze because they will be entered into Terramet – Metro's database for the Natural Areas program.

By June 2015, the Terramet database was linked to on-the-ground action for restoration and maintenance work allowing staff to make more accurate cost-estimates in the future.

The committee reviews a report about stabilization work underway at new properties each quarter.

WILLAMETTE FALLS

The committee requested additional information about the use of \$5 million in bond funds for the Willamette Falls project in Oregon City. This year, Metro received a donated riverfront easement from the property owner, Falls Legacy, LLC. Portland General Electric donated an option allowing a riverside walkway to be built across part of its dam, offering the best view of the falls.

A team has been chosen to design the Riverwalk, which will allow the public close-up views of the falls for the first time in a century, and will link to future private development at the site.

PARKS AND NATURE SYSTEM PLAN

Staff are gathering stakeholder input and working with partners to draft a comprehensive guidance plan for Metro's 17,000+ acres of parks, natural areas and trails. The plan will provide a systematic framework for, and outline the future of, Metro's property portfolio. A final document will be presented to the Metro Council in early 2016.

ADMINISTRATIVE COSTS/COST ALLOCATIONS

The committee reviewed cost allocation, as it does every year, and found practices to be consistent with previous years.

UNUSUAL CIRCUMSTANCES

The bond has an unusual circumstances provision for property transactions that fall outside the due diligence guidelines. These transactions require authorization by the Metro Council.

In August 2014, the Oversight Committee collaborated with staff to update the Natural Areas Implementation Work Plan recommending more flexibility for negotiators and additional criteria for acquisitions.

Staff subsequently reported to the committee that the modified work plan has reduced the number of unusual circumstance transactions and has increased the efficiency of the acquisition process. Three transactions were approved by the Metro Council under the unusual circumstances provision this fiscal year and, in keeping with past practice, were reviewed by the Oversight Committee.

ADDITIONAL BOND INVESTMENTS

Approximately \$15-\$20 million of bond funds have been dedicated to accelerate work on capital projects included in bond refinement plans and approved by the Metro Council in November 2014. The work includes access projects in several target areas, including East Buttes and Chehalem Ridge.

At the March 2015 meeting the Oversight Committee discussed whether this was an allowable use of funds and were satisfied, after checking bond language, that although the focus of the bond program to date has been on acquisition, its terms allow for making limited improvements with bond funds to provide public access or increase use and enjoyment of sites within the bond's target areas.

Additional parks and nature planning and communications staff will need to be hired to support the additional bond investment projects.

The committee will continue to review these additional program costs and ensure staffing levels are appropriate.

THE YEAR AHEAD

In the coming year, the Oversight Committee will follow up on the recommendations made in this report and will continue to assess and monitor program operations.

Conclusion and recommendations

The committee should conduct an annual review of stabilization practices, outcomes and costs.

The committee praised the flexibility and innovation in the Willamette Falls Legacy Project's acquisition process and should continue to review use of bond funds for the project.

The committee should continue to work with staff to review and provide input to the Parks and Nature System Plan.

The committee should continue to monitor the application of unusual circumstances in land acquisition transactions annually.

The committee should monitor progress of the new capital construction projects and should work with staff to devise effective performance measures for these investments.

The committee should review staff capacity to ensure it is sufficient for implementing all aspects of the Natural Areas Program.

With Metro's continuing purchases, it secures green spaces for recreational use, water quality and animal habitat for future generations. Properly managed and protected, Metro's portfolio of properties will be a Godsend to our children, and theirs.

—Bill Drew, committee member

About Metro

Whether your roots in the region run generations deep or you moved to Oregon last week, you have your own reasons for loving this place- and Metro wants to keep it that way. Help shape the future of the greater Portland region and discover tools, services and places that make life better today.

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Kendra Smith	Director, Willamette Model Watershed, Bonneville Environmental Foundation

SEEKING NEW MEMBERS

Composed of community members from throughout the region, the committee currently has vacancies to fill and is seeking new members from the finance, auditing, accounting, real estate, banking, grant making, planning and law fields. Additionally, the committee seeks members representing community-based organizations and nonprofit partners to help ensure the program fulfills the bond program goals.

HOW TO LEARN MORE

We encourage you to learn more about Metro's Parks and Nature programs 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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Turn to Metro's quarterly magazine, Our Big Backyard, for all your nature news and other regional highlights, including feature stories, field guides, Q&As, upcoming events, a photography contest and much more.

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I'm impressed with the organization of the staff, with how effectively they are fulfilling their mission. Every indication I have is that they are moving ahead and doing the right thing. –Walt McMonies, committee member