

Date: December 12, 2019
To: Metro Council
From: Natural Areas and Capital Program Performance Oversight Committee
Re: 2019 Annual Report

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

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 review to guide the program. At regular meetings with Metro staff, the committee reviews projects and acquisitions funded with taxpayer dollars to ensure the program is well-managed, staffed appropriately, utilizes effective tools and performance measures, and meets the bond's defined goals. The Metro Council revised the Metro Code in 2017, adding responsibilities for oversight of capital projects funded by Metro's 2018-2023 local option levy for parks and natural areas and changed the name of the committee to the Natural Areas and Capital Program Performance Oversight Committee to reflect its expanded role.

This report from the Oversight Committee to voters and the Metro Council considers the progress of the Natural Areas bond program during fiscal year 2019, from July 1, 2018 through June 30, 2019. In fiscal year 2019 the committee met three times (July 2018, December 2018 and April 2019).

The committee has found that each of the three primary components of the Natural Areas bond program – acquisition, local share and capital grants – as well as capital development projects and other program efforts, meets or exceeds the goals set in 2006, as summarized below.

REGIONAL ACQUISITION

GOAL: Acquire 3,500-4,500 acres from willing sellers in 27 target areas

ACRES ACQUIRED TO DATE: 6,796 acres (258 acres in FY19)

Metro acquires land in 20 natural areas and seven trail or greenway corridors from target areas identified in the 2006 bond measure. Approximately \$4.5 million was spent by Metro on land acquisition in fiscal year 2019. Total expenditures for regional acquisitions stand at \$199.7 million.

Since 2006, nearly 6,800 acres have been acquired and protected, substantially surpassing the overall acreage goal of the 2006 bond. This year, Metro acquired nearly 258 acres of natural areas and trail connections widely distributed across the region. Ten target areas were represented in the 15 new properties Metro purchased.

ACQUISITION HIGHLIGHTS

- The acquisition of a 2.9-acre trail easement ensures that regional partners will be able construct a critical segment of the Westside Trail on the south side of Bull Mountain and connect it to the Tualatin River and the Ice Age Tonquin Trail.
- A small property acquisition protecting approximately 200 feet of the south bank of Johnson Creek fills a public ownership gap and contributes to an important wildlife corridor by connecting to a string of adjacent protected lands.
- A 100-acre acquisition atop Clackamas Bluff protects older, mixed upland forest that was slated for harvest. It is now the anchor of a large protected wildlife corridor, connecting several other adjacent protected lands including Madrone Wall and Clackamas Bluff Natural Area.
- A 1-acre conservation easement protects approximately 400 feet of Tryon Creek frontage and closes a key remaining gap in public ownership along the main stem of Tryon Creek, which supports native resident fish such as cutthroat trout and brook lamprey. Metro is partnering with the City of Portland's Parks and Recreation Department to manage this easement alongside adjacent natural areas.
- A 10-acre acquisition adjacent to Chehalem Ridge protects mixed mature Douglas-fir woodland, Oregon white oak habitat, and 800 feet of stream frontage and improves wildlife connectivity between other lands in public ownership. Wildlife that currently use this corridor include migratory songbirds, coyote and black-tailed deer.
- A 31-acre acquisition along Baker Creek protects forested upland and almost 2,300 feet of stream frontage, which provides important habitat to native fish and wildlife species including coho salmon, steelhead and Pacific lamprey.
- A 1-acre acquisition near the top of Gabbert Butte helps to close a gap in public ownership, further solidifying a biologically significant natural area and facilitating better public access to nature.
- An 80-acre acquisition adjacent to Columbia Land Trust's Atfalati Prairie conserves approximately 4,900 feet of Tualatin River frontage and protects important riparian and wetland habitat that supports winter steelhead, coho salmon, lamprey and other native fish and wildlife.
- A 5-acre acquisition in the lower headwaters of Pecan Creek secures land for the conceptual Pecan Creek Regional Trail while linking existing protected lands. The purchase of this property was made possible through a partnership between the City of Lake Oswego and Metro, leveraging bond funding with local investment.
- A 1.2-acre conservation easement conserves approximately 200 feet of creek frontage along both sides of Tryon Creek and helps to close a major gap in the Hillsdale-to-Lake Oswego Regional Trail. The City of Portland's Bureau of Environmental Services contributed to the easement purchase and manages the property along with adjacent lands.
- An 18-acre acquisition expands Metro's adjacent Richardson Creek Natural Area to almost 100 acres, providing plants and wildlife an east-west habitat corridor. It also protects forested wetlands and 2,100 feet of stream frontage of several perennial streams that flow into Richardson Creek before reaching the Clackamas River.

- A vegetation management easement acquired along Tryon Creek protects approximately 80 feet of frontage on both banks, supporting native fish such as cutthroat trout, brook lamprey and steelhead. The City of Portland’s Bureau of Environmental Services paid for half of the acquisition and holds the easement, which closes a significant gap in public ownership connecting to Tryon Creek State Natural Area.
- A non-exclusive access easement acquired by Metro over an existing road to the Clackamas Bluff property purchased earlier in the year provides site access to staff and contractors, allowing Metro to avoid constructing a new access road that would negatively impact forested habitat it is working to protect.
- A donated 0.8-acre trail easement acquired on behalf of the City of Tualatin ensures that the city will be able to construct the Hedges Creek segment of the Ice Age Tonquin Trail.
- A donated 5.6-acre property protects important riparian and wetland habitat that provides floodplain functions like floodwater storage. It also protects over 1,300 feet of stream frontage along Council Creek and Jobs Ditch, expands adjacent public lands to almost 40 acres, and provides habitat to deer, coyote, bobcat, migratory birds and other native species.

LOCAL SHARE

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

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

The local share program is nearly complete. Local share expenditures stand at \$43,959,505 million or 99.9% of the total \$44 million allocation. At the time of this writing only Cornelius still had local share funds to expend on approved projects. The city has identified the construction of a small bridge that will be part of a local trail through a new community park. Cornelius anticipates spending its local share allocation by Dec. 31, 2020.

NATURE IN NEIGHBORHOODS CAPITAL GRANTS

\$15 million to community groups, non-profits and local governments for projects that “re-green” or “re-nature” neighborhoods

Nature in Neighborhoods capital grants are made to community groups, schools and non-profits for projects that preserve or restore water quality and wildlife habitat, or increase the presence of nature in urban environments. All \$15 million has been committed to Metro Council-approved projects. The Metro Council has awarded grants to 55 projects. Over the nine granting cycles, three projects have been withdrawn due to feasibility issues and funds reallocated to other projects.

NATURE IN NEIGHBORHOODS GRANT HIGHLIGHTS

This year several organizations that were awarded grants in prior years executed their agreements with Metro and work began on their Nature in Neighborhood projects. Currently, all awarded grant projects are under contract and all conservation easements for property acquired with Metro funding are closed.

There are 10 active capital grant projects. Four are currently under construction, three are in the final stages (most include planting in the upcoming planting season), two are in the bid selection stage, and one is still in the design and engineering phase.

Eighty percent of capital grant funding (\$12,061,252) has been expended as of the end of fiscal year 2019. The remainder is dedicated to the projects described above.

This fiscal year included several ribbon cuttings, groundbreakings and presentations at city council meetings to approve grant agreements with Metro for these funds. The following projects wrapped up this year:

- Building an inclusive playground at Couch Park: \$150,000 to the City of Portland
- Dirksen Nature Park: A walk through northwest ecosystems: \$390,000 to the City of Tigard
- North Fork Johnson Creek fish passage: \$79,746 to the Johnson Creek Watershed Council
- Courtyard at Cornelius Place: \$100,000 to the City of Cornelius
- Boardman-Rinearson Wetland Complex land acquisition: \$362,012 to the North Clackamas Parks and Recreation District

CAPITAL DEVELOPMENT PROJECTS

Approximately \$20 million of bond funds were dedicated to work on trail planning, park development and capital construction projects in program target areas as approved by the Metro Council in November 2014.

Based on recommendations from the committee in 2016, new performance measures were created for these capital construction projects, indicating whether the projects are on track with regard to scope, schedule and budget, including budget-to-actual costs. These capital development project performance measures are included in the Oversight Committee's dashboard report, updated and presented at every committee meeting.

CAPITAL DEVELOPMENT PROJECT HIGHLIGHTS

- *Chehalem Ridge Nature Park:* In fall 2018, initial construction drawings were completed and submitted to Washington County for land use approval. During the following winter months, outreach to the Latinx community occurred to obtain feedback on the park design. County approval was received in spring 2019 and full construction documents are anticipated to be completed and submitted for permits by the end of 2019.
- *Columbia Boulevard Bridge:* This project has successfully completed both the ODOT-led request for proposal process and approval of a design and engineering contract with KPFF Engineers. The project has formally 'kicked off' with local partners under Metro's leadership.
- *Fanno Creek Trail:* Construction of the new pedestrian bridge and Fanno Creek Trail segment to link Woodard Park and the Dirksen Nature Park was completed.
- *Gabbert Butte:* The master plan was adopted by Gresham City Council and Metro Council in summer 2019. Metro is negotiating an intergovernmental agreement with the City of Gresham

for nature park design and construction. Once an agreement is in place, a request for proposal will be issued to hire a design team.

- *Marine Drive Trail*: This project was delayed while an intergovernmental agreement was negotiated with the levee district and due to staff capacity. A scope of work and request for proposal for engineering services is being prepared.
- *Willamette Falls Riverwalk*: Contractors have been identified to lead phase one riverwalk design, engineering and construction efforts, as well as brownfields remediation and support of archeological and cultural/historic resources. With the team set, progress was made to submit federal permits to the Army Corps of Engineers; however, a few weeks before the targeted submittal date there was a transition of property ownership. The project work has paused and is currently experiencing a delay to allow for collaboration with the new property owner, The Confederated Tribes of Grand Ronde.

OTHER OVERSIGHT COMMITTEE REVIEW

BUDGET, STAFF CAPACITY AND ADMINISTRATIVE COSTS

The committee reviews the financial report, staffing levels and administrative costs at every meeting.

Metro sold the remaining 2006 bonds in spring 2018. Based on staff projections, most of the bond funds will be expended by June 2020.

In fiscal year 2015/16, more than 20 staff were assigned to the bond; that number has been reduced to 17 as of June 30, 2019. While the bond program work is winding down, many of the staff assigned to the bond are on the parks planning team working on capital projects such as those noted above. Management reviews the staffing levels every year, often moving staff to other funding sources if necessary due to limited work on the bond.

Although administrative costs for fiscal year 2019 rose to 20%, the committee was satisfied that Metro is on track to fulfill the commitment capping cumulative administrative costs at less than 10% of total bond expenditures.

USE OF 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 and the committee reviews all unusual circumstances annually. No unusual circumstances required Metro Council approval this past fiscal year.

THE YEAR AHEAD

The Oversight Committee will continue to monitor progress of bond-funded acquisitions and both bond- and levy-funded capital construction projects. The committee will also continue to review staff capacity to ensure that it is sufficient for implementing all aspects of the Natural Areas and Capital Program.

Remaining funds from the 2006 bond measure are close to being spent or are dedicated to upcoming projects or acquisitions. Over the next year the committee will develop a retrospective analysis of the structure, successes and challenges of the committee during oversight of the 2006 bond measure. This project will include reaching out to previous committee members through a survey and personal communication to inform a report that may assist Metro with the development and management of oversight committees for future funding sources.

As in previous years, the committee will continue to monitor the application of unusual circumstances in land acquisition transactions and work with staff to identify any further flexibility in the acquisition work program necessary to secure priority properties.

Additionally, the committee will continue to assess and monitor program operations.

FY 2019 OVERSIGHT COMMITTEE MEMBERS

Peter Mohr, Chair	Attorney, Jordan Ramis, PC
Mark Aasland	Senior project designer, PACE Engineers
Dean Alterman	Attorney, Folawn Alterman & Richardson LLP
Caylin Barter	Attorney, Jordan Ramis, PC
Drake Butsch	Builder services manager, First American Title of Oregon
Kelsey Cardwell	Past president, Northwest Trail Alliance
Jon Horne	Sr. vice president, Wells Fargo Bank, Real Estate Advisory Division
Derek Johnson	Director, The Nature Conservancy
Walt McMonies	Of counsel, Lane Powell
Rick Mishaga	Wildlife ecologist (retired)
William F. (Fritz) Paulus	Real property attorney
Shannon Shoul	Communications, strategy and performance management consultant
Lindsay Smith	Environmental specialist, Portland General Electric