

**Date:** December 2020  
**To:** Metro Council  
**From:** Natural Areas and Capital Program Performance Oversight Committee  
**Re:** Fiscal year 2020 Annual Report

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## **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, greater Portland-area voters approved a \$227.4 million bond measure to fund the Natural Areas Program. In 2019, Portland-area voters approved a \$475 million parks and nature bond to protect and restore natural areas as well as make them more accessible in order to better connect them with people.

Each year, as stipulated in the 2006 Natural Areas bond, the Natural Areas Program Performance Oversight Committee has provided independent oversight throughout the entire implementation of the program. At regular meetings with Metro staff throughout the tenure of the 2006 bond program, the committee reviewed projects and acquisitions funded with taxpayer dollars to ensure the program was managed well, staffed appropriately, utilized effective tools and performance measures, and met the bond's defined goals.

In 2017, the Metro Council revised the Metro Code, adding responsibilities for oversight of capital projects funded by Metro's 2018-2023 local option levy for parks and natural areas. The revision also 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 2006 Natural Areas bond program during fiscal year 2019, from July 1, 2019 through June 30, 2020. In fiscal year 2020 the committee met three times (Sept. 24, 2019, Feb. 4, 2020 and April 30, 2020).

As summarized below, the committee has found that each of the three primary components of the 2006 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.

### **REGIONAL ACQUISITION**

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

**ACRES ACQUIRED TO DATE:** 6,876 acres

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Metro acquires land in 20 natural areas and seven trail or greenway corridors from target areas identified in the 2006 bond measure. Approximately \$2.3 million was spent by Metro on land acquisition in fiscal year 2020. Total expenditures for regional acquisitions stand at \$209 million.

Since 2006, nearly 6,900 acres have been acquired and protected, substantially surpassing the overall acreage goal of the 2006 bond. This year, Metro acquired 447 acres of natural areas and trail connections widely distributed across the region. Six target areas were represented in the nine new properties Metro purchased.

### **ACQUISITION HIGHLIGHTS**

- Acquisition of a 283-acre property in the Columbia Slough target area, which consolidates Metro's ownership and management along the north and east sides of Smith and Bybee Lakes to almost 1,960 acres. The property provides high quality habitat for a range of waterbirds, songbirds, raptors, reptiles, amphibians and mammals.
- Acquisition of two properties in the Chehalem Ridge target area – a 7-acre property which contains intact, older mixed upland forest adjacent to the north end of Chehalem Ridge Nature Park and includes habitat for elk, black bear, great-horned owls and pileated woodpeckers and a 10-acre property which adds to the northwest end of Chehalem Ridge Nature Park and includes oak habitat, a seasonal stream and riparian habitat.
- Acquisition of a 32-acre property in the Tonquin Geologic target area. This property adds a critical piece of floodplain to Metro's existing Coffee Lake Creek Wetlands and will enable restoration of the hydrology and wetland habitats on this 265-acre site.
- Acquisition of a 36-acre property in the Clear Creek target area which includes frontage along Clear Creek, mixed upland forest, prairie and several emergent wetlands, expanding the size of the Clear Creek North site to almost 106 acres and supporting conservation in one of the most important salmon bearing tributaries to the Clackamas River.
- A 0.89-acre conservation easement on private property in the Dairy and McKay Creeks confluence target area along Council Creek connecting Metro's existing holdings at East Council Creek, expanding the site to over 40 acres. The property enhances the view shed from a planned wetland overlook at the planned East Council Creek Nature Park and provides habitat for western pond turtles, northern red-legged frogs and a diverse mix of migratory songbirds.
- A trail easement along the Hedges Creek segment of the Ice Age Tonquin Trail which fills another trail gap along this important regional trail corridor, connecting residents and employees to downtown Tualatin. Another trail easement adds almost a half mile to the Ice Age Tonquin Trail corridor as it passes through southwest Tualatin and will provide an important connection between the Hedges Creek and Coffee Lake Creek segments of the trail. Both trail easements were acquired in partnership with the City of Tualatin, which holds the easement and will build and manage the future trails.
- Acquisition of a property in the Deep Creek target area which provides 76 acres of upland and riparian forest and fills an important habitat gap along the North Fork of Deep Creek. The property also closes a critical gap along the Cazadero State Trail operated by the Oregon Parks and Recreation Department.

## LOCAL SHARE

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

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Under the local share component of the 2006 Natural Areas bond, \$44 million was 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 jurisdictions selected the acquisitions and projects, and Metro provided guidance and support in addition to the funding.

To date, local governments have spent 99.9% of the \$44 million allocation on approved projects, and only the City of Cornelius has local share funds remaining to be spent. The City of Cornelius plans to build a small bridge that will be part of a local trail through a new community park and expects to expend its remaining allocation by December 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

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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, four projects have been withdrawn due to feasibility issues with the resulting available funds successfully reallocated to other projects.

Here’s the list of the five (5) capital grant projects, funded by the 2006 bond and completed or terminated during FY 2020:

- Boardman-Rinerson Wetland Complex Acquisition and public access, completed by the North Clackamas Parks and Recreation District (originally awarded to the Oak Lodge Sanitary District), total amount awarded: \$360,012.00
- Rock Creek Floodplain at Portland Community College, completed by Clean Water Services, total amount awarded: \$257,073.15
- Oak Island Marsh Restoration, completed by the City of Hillsboro, total amount awarded: \$335,000.00
- Beaver Creek Fish Passage and Habitat Enhancement project, completed by Multnomah County, total amount awarded: \$579,500.00
- Mt. Scott Creek Oak Bluff Reach Restoration, implemented by Clackamas County Water and Environmental Services. Total grant award: \$175,228.00. The grant-funded project was suspended due to change in project conditions that made it unfeasible at this time. During the grant award period, Metro paid Clackamas County WES \$20,900. Because Clackamas County WES used the funds for capitalizable expenses that are bond eligible, Metro did not require Clackamas County to repay the grant.

## 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, to indicate whether the projects were 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:* Construction contractors were selected through a competitive process to build the trailhead, overlooks and system of trails as envisioned in the Access Master Plan adopted by Council in 2017. Ground was broken on trailhead construction in March of 2020 and trail construction was initiated in June. The future park will include a trailhead with picnic areas, shelter structures, a restroom building, and parking for both passenger vehicles and trucks with horse trailers as well as 10-miles of trails for walking, riding off-road bicycles or horses, and enjoying nature. Habitat restoration, including weed treatments and forest road decommissioning, continues to be on-going. The park is scheduled to open in 2021.
- *Columbia Boulevard Bridge:* Oregon Department of Transportation (ODOT), Metro and the City of Portland are managing a project) to construct a bicycle and pedestrian bridge over Columbia Boulevard in North Portland. This critical piece of infrastructure will connect trail users from Chimney Park to the Smith and Bybee Natural Area (St. Johns Prairie); completing a major gap on the North Portland Greenway and 40 Mile Loop Trail. ODOT, Portland Parks and Recreation and Metro have completed public engagement for the bridge to broad community support. By spring 2021, the project will have achieved the 30 percent design milestone, with remaining design work to be completed over the next year, which will allow the project to move ahead towards construction in 2022.
- *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, which is expected to be presented to Gresham City Council for approval in early 2021. Once the agreement is in place, a request for proposal will be issued to hire a design team.
- *Marine Drive Trail:* This regional trail project will design and construct the Marine Drive Trail from Northeast 185th Avenue eastward to Northeast Interlachen Lane and Blue Lake Regional Park. Recent progress includes the establishing a contract with a consultant team to work with Metro on design and engineering. Work in 2021 will include geotechnical borings, natural resource and cultural resources investigations and analysis of trail alignment alternatives.
- *Willamette Falls Riverwalk:* The project work has paused and is currently experiencing a delay to allow for collaboration with the property owner, The Confederated Tribes of Grand Ronde, who purchased the site in summer of 2019.

## **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 2021.

In fiscal year 2015/16, more than 20 staff were assigned to the bond; that number has been reduced to 7.2 as of July 1, 2020. While the bond program work is winding down, many of the staff assigned to the bond are members of 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 as necessary.

Although administrative costs for fiscal year 2020 rose to approximately 16%, 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.<sup>1</sup> 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 AND TRANSITION TO 2019 PARKS AND NATURE BOND OVERSIGHT COMMITTEE**

Remaining funds from the 2006 bond measure are close to being spent or are dedicated to upcoming projects or acquisitions.

In November 2019 the voters of the Metro region authorized the sale of \$475 million in general obligation bonds for the purpose of protecting natural areas, water quality and fish and wildlife habitat and connecting people to nature. Metro sold the first round of these new bonds in April of 2020.

During this past year, the committee has reflected and developed a retrospective analysis on the structure, successes and challenges of committee oversight of the 2006 Natural Areas bond measure. This effort included reaching out to previous committee members through a survey and personal communication to inform a report that may assist Metro with the development and

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<sup>1</sup> According to the natural areas work plan, if, in the course of due diligence, the Due Diligence Team discovers any unusual deed or title restrictions, encumbrances, or environmental conditions that may prohibit or unduly restrict Metro's ability to use the property as a natural area or trail or that may create a liability to Metro, such restrictions, encumbrances, or conditions shall be considered "unusual circumstances."

management of oversight committees for future funding sources. At its April 2020 meeting, members discussed lessons learned and considerations for a 2019 Parks and Nature Bond Oversight Committee as it is formed in early 2021, which are captured in a summary memo, and will help with a transition to the oversight committee for the 2019 Parks and Nature bond.

In addition, a few members of the Natural Areas and Capital Program Performance Oversight Committee have applied to serve on the oversight committee for the 2019 Parks and Nature bond during an open recruitment period in fall and winter of 2020, which would provide an opportunity to achieve consistency across committees.

## **FY 2019 OVERSIGHT COMMITTEE MEMBERS**

Peter Mohr, Chair	Attorney
Mark Aasland	Senior project designer, PACE Engineers
Dean Alterman	Attorney, Alterman Law Group PC
Caylin Barter	Water policy program manager, Wild Salmon Center
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
William F. (Fritz) Paulus	Real property attorney
Shannon Shoul	Communications, strategy and performance management consultant
Lindsay Smith	Environmental specialist, Portland General Electric