

Fall 2022 Parks and Nature quarterly update

Covering bond activities and investments from July through October 2022



BOND COMMUNITY ENGAGEMENT COMPLETED: JULY–OCTOBER 2022

From July–October 2022, staff have completed the following outreach across bond programs:

- Conversations with 35 landowners about acquisition opportunities
- Conversations with 5 park providers about the capital grants pilot and one meeting of the [capital grants design and review committee](#)
- 10 conversations with partners about the [large-scale community visions pilot](#)

BOND REPORTING AND EVALUATION ACTIVITIES COMPLETED

[A set of infographics](#) are posted on Metro's website to visualize bond progress over time to the public. These are meant to serve as a compliment to the [storytelling](#) that we have been doing to highlight specific projects and bond wide progress.

The bond evaluation outcomes data collection pilot, which the committee received an update on at its September 27 meeting, has collected almost 40 interview or focus group responses and over 30 survey responses as part of efforts to evaluate the impact of early bond program activities and engagement.

Nature in Neighborhoods Capital Grants Pilot

Staff are advancing the participatory pilot, which utilizes a novel participatory approach that gives community members a direct voice in choosing which projects in their communities to recommend for funding to the Metro Council. The capital grants pilot design and review committee helped finalize a [solicitation guidebook](#) and has reconvened to help guide the idea collection phase.

The team hired a community engagement team and is working to launch an idea collection phase this winter, which includes opportunities for community members to share their ideas for projects.

BOND ACTIVITIES AND INVESTMENTS COMPLETED: JULY–OCTOBER 2022

Protect and restore land activities from July–October 2022

oregonmetro.gov/protect-and-restore-land

The team continues to ramp up outreach to land-owners across the region to create a pipeline of

opportunities for acquisition in alignment with the targets and goals approved by the Metro Council this past spring.

The real estate team has hired two real estate specialists.

Most recently, Metro purchased a small but significant parcel that includes 115 feet of Beaver Creek and is surrounded by Metro's South Beaver Creek Greenway Natural Area. A few weeks earlier, Metro purchased [40 acres in Washington County](#), creating the new Fir Clearing Creek Canyon Natural Area including springs and forested headwaters that help provide cold, clean water and increased summer base flow downstream to the Tualatin River. The property contains over 3,000 feet of fish habitat in the main stem, tributaries and headwater areas of Heaton Creek, which is important spawning and rearing habitat for culturally-important native fish such as Coho Salmon, Steelhead and Pacific Lamprey (important species identified by tribal nations and Indigenous community stakeholders). This property will provide a meaningful anchor for future conservation investment in this part of the Lower Tualatin Headwaters target area.

This takes the total parcels acquired with the bond to date to 10 for 380 acres and 1,500 feet of trail gaps. See more information about specific acquisitions in the appendix of this report.

Local share activities completed from July–October 2022

oregonmetro.gov/localshare

The local share team is working with the region’s park providers to identify, submit and approve priority projects for bond local share funding and will continue to report on projects submitted for approval and finalized agreements with park providers.

The City of Tualatin finalized an intergovernmental agreement [for Basalt Creek Parkland Acquisition: \\$1,581,005](#), taking the total number of awards to \$9.4 million for 5 projects.

Walking and biking trails activities completed from July–October 2022

Council recently approved [12 trail grant awards for \\$19.5 million](#) across the region from the Clackamas River trail to the Gresham Fairview trail to the Westside trail to Marine Drive trail. This award represents a huge step forward in advancing our regional trails vision and our goals for a more equitable and resilient transportation system.

Grant recipients have been notified of their award and the Metro Parks and Nature team is working to finalize an intergovernmental agreement template and a set of tools to ensure that grant recipients are able to move forward with their projects.

Take care of Metro parks activities completed from July–October 2022

Progress continues on health, safety and accessibility improvements at Blue Lake and Oxbow.

At Blue Lake Park, initial investments are underway to update the health, safety and accessibility of Blue Lake Regional Park are underway. Construction for the new water line is halfway through and will be complete by end of October 2022. The work to remove defunct buildings has begun with the recent demolition of the boat house. The park remains open.

At Oxbow Regional Park, the Oxbow Water and Road Analysis project is developing a construction plan for repair of the aging potable water system and road to correct drainage and asphalt sloughing.

Work continues on developing the long-term framework to support Americans with Disabilities Act (ADA) improvements across the Metro portfolio. Improvements will kick off with a pilot at Graham Oaks Nature Park to address barriers to access. The intent of the pilot is to inform next steps with a focus on scaling up the work and determining the applicable accessibility standards at one site and apply to the entire portfolio.

Large scale community visions activities completed from July–October 2022

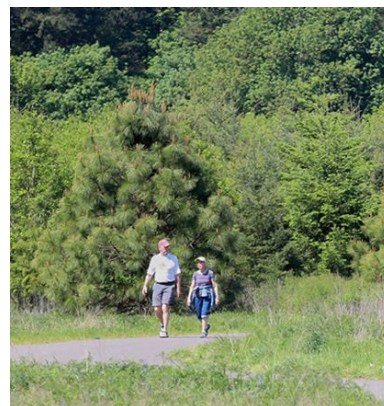
Since August, a notice of funding availability for an initial \$10 million pilot grant cycle has been open. Since then, staff have completed meetings with 10 potential partners around the region to solicit interest and assess project compatibility with the Council approved [pilot](#)

[program handbook](#) to fund larger-scale projects that uplift communities by identifying projects that are dedicated to improving access to nature and/or climate resilience in urban areas with minimum budget of \$6 million minimum including a \$2 million investment in habitat uplift.

Staff have received four letters of intent to review and invite to submit full applications with a recommended slate to Council in summer 2023.

BOND SPENDING: JULY–OCTOBER 2022

As of the end of October 2022, Metro has spent \$32.7 million of bond proceeds available and allocated an additional \$24.8 million in local share and trail grant awards. The full bond spend report as of October 30, 2022 can be found in the appendix. As with other voter investments, administrative expenses tend to be highest in the first few years as new programs are being built. Once the programs are up and running, the administrative expenses as a percentage of total spending decrease significantly, before a small uptick in the last few years of the life of a bond measure.

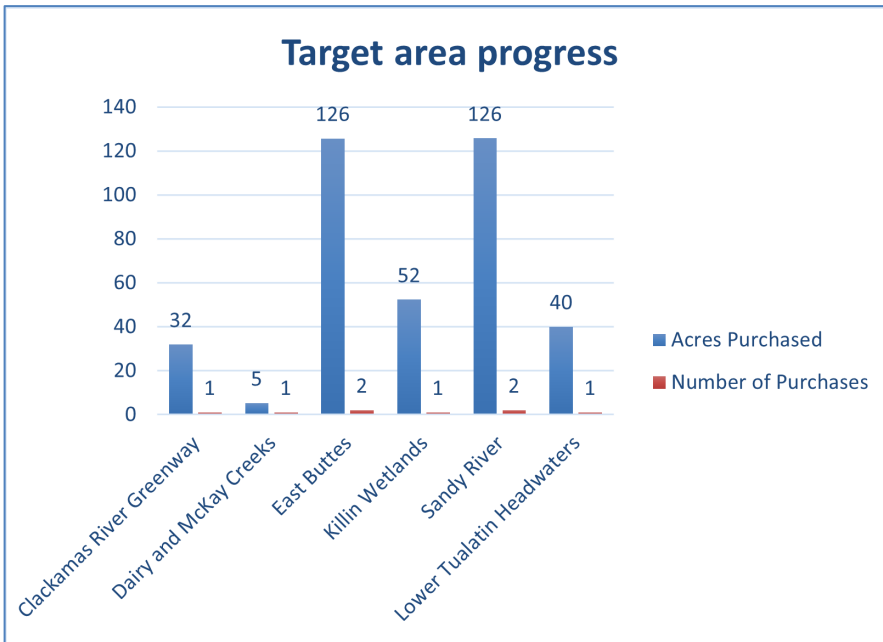


BOND SPEND AS OF OCTOBER 31, 2022

2019 Parks and Nature Bond - Spend by Program Area						Percent of All 2019 Bond Spend
	FY20	FY21	FY22	FY23YTD	Total Spend	
Protect/Restore						
Personnel	8,897	1,027,574	1,318,586	468,557	2,823,614	
M&S or Capital	120,063	843,385	5,104,935	1,734,981	7,803,364	
Total	128,960	1,870,959	6,423,521	2,203,538	10,626,978	32.43%
Take Care of Metro Parks						
Personnel	8,897	642,133	1,334,500	379,219	2,364,749	
M&S or Capital	221,847	3,051,112	2,279,728	493,845	6,046,532	
Total	230,744	3,693,245	3,614,228	873,064	8,411,281	25.67%
Local Share						
Personnel	29,397	213,678	240,033	65,776	548,884	
M&S or Capital		2,464	2,492,200	1,581,397	4,076,061	
Total	29,397	216,142	2,732,233	1,647,172	4,624,944	14.11%
Grants						
Personnel	12,847	184,414	240,528	104,243	542,032	
M&S or Capital		2,061	85,755	1,510	89,326	
Total	12,847	186,475	326,283	105,753	631,358	1.93%
Trails						
Personnel	8,489	243,278	233,358	89,293	574,418	
M&S or Capital	3,825	818	148,071	6,102	158,816	
Total	12,314	244,096	381,429	95,395	733,234	2.24%
Community Visions						
Personnel	-	3,480	121,359	-	124,839	
M&S or Capital	-	-	-	-	-	
Total	-	3,480	121,359	-	124,839	0.38%
Total Program Spend	414,262	6,214,397	13,599,053	4,924,923	25,152,635	76.76%
Admin						
Personnel	100,692	555,696	591,933	193,594	1,441,915	
M&S or Capital or Transfer	402,467	990,481	2,934,472	801,924	5,129,344	
Personnel	10	330	395	-	735	
M&S or Capital or Transfer	309,359	27,344	544,812	160,715	1,042,230	
Total	812,528	1,573,851	4,071,612	1,156,232	7,614,223	23.24%
Total Bond Spend	1,226,790	7,788,248	17,670,665	6,081,155	32,766,858	
Administrative Spending as a % of Total Bond Spend	66.23%	20.21%	23.04%	19.01%		23.24%

PROTECT AND RESTORE LAND SUPPLEMENTAL INFORMATION, COVERING INVESTMENTS AS OF OCTOBER 31, 2022

Acquisitions to date by target area



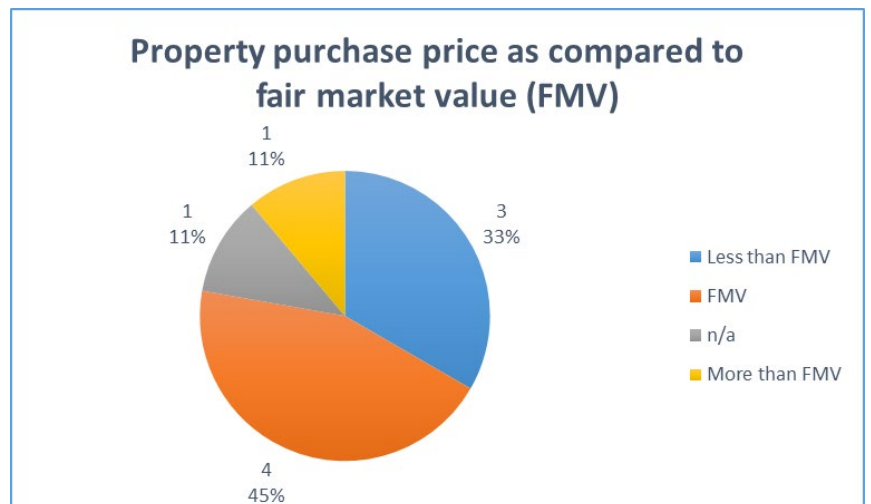
What is this chart?

Through the policy established in the [2019 parks and nature bond measure](#) and the [target area refinement plans](#) the Metro Council has directed staff to acquire properties in 24 regional target areas that meet the refinement plan goals. Each property varies in size and other features. This chart displays the both the number of properties purchased and acres protected in each target area through the Protect and Restore Land program over the lifetime of the 2019 bond. Through September 30, 2022, Metro staff have acquired 8 properties totaling 381 acres across 6 target areas. This number will expand over time as more properties are purchased across all target areas.

What is this chart?

The Metro Council may direct staff to purchase property at any price, but through the policy established in the Natural Areas Work Plan, the Metro Council has delegated authority to staff to acquire properties for fair market value as supported by an independent appraisal (with the exception of properties purchased for less than \$50,000, which do not require an appraisal). The Chief Operating Officer may purchase a property for up to 10% more than the value established by an appraisal provided certain conditions are met. This chart shows that most properties purchased to date were for fair market value or an appraisal was not required (i.e., the purchase price was less than \$50,000). This includes all

Purchase price vs. market value

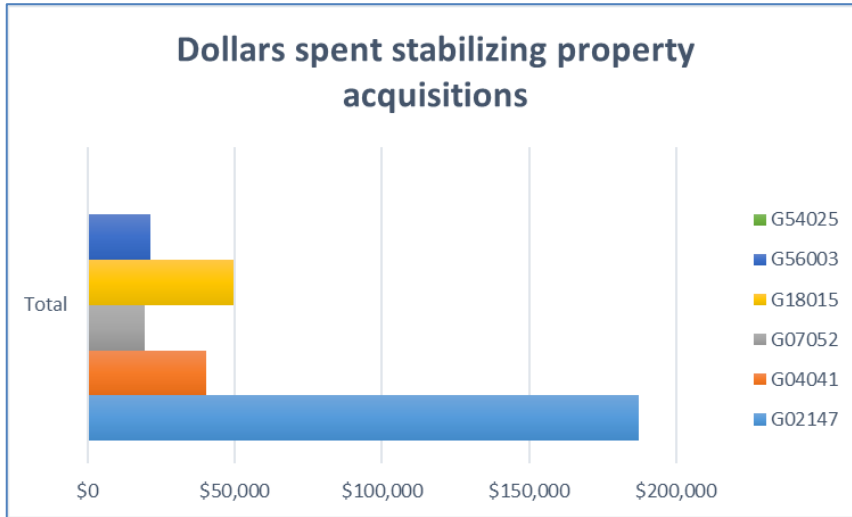


purchases funded through the Protect and Restore Land as well as Create Trails for Walking and Biking programs.



PROTECT AND RESTORE LAND SUPPLEMENTAL INFORMATION, COVERING INVESTMENTS AS OF OCTOBER 31, 2022

Cost of stabilization to date



Dollars spent through October 31, 2022

What is this chart?

Stabilization is one of the four program activities eligible for Protect and Restore Land funds. Stabilization is the phase of management that follows acquisition. During stabilization Metro uses bond funds to address threats that would otherwise compromise the values for which a new natural area is acquired. As no two properties are the same or have the same conditions present, stabilization plans and costs will vary by property and the conditions present. Metro uses a function-based approach to identify and implement stabilization activities appropriate to each site. Function-based stabilization focuses on actions that protect high ecological function and shift currently degrading conditions to a positive trend leading to Metro to meeting the conservation objectives for which the property was purchased. Common stabilization actions include natural resource enhancement and property management and security actions. Important ecological functions addressed include key features such as: soil erosion control, habitat quality and trend, temperature and flow modification of streams, and public safety.



PROTECT AND RESTORE LAND SUPPLEMENTAL INFORMATION, COVERING INVESTMENTS AS OF OCTOBER 31, 2022

Constraints

Current constraints on pace of implementation relate to staff capacity and market dynamics. Capacity is on the way up as Metro has recruited for and hired 2 senior conservation real estate positions in the last quarter, with one assistant conservation real estate specialist position to be hired in the future. That will bring the total to 4 FTE (full time equivalent) working on acquiring real estate for Metro. New staff are getting up to speed quickly and have launched landowner outreach and relationship building activities.

Market dynamics are challenging. The largest challenges in the market are still related to timelines and seller expectations – the appraisal gap in relation to seller expectations is still an issue, but Metro real estate staff are now also seeing impacts of low inventory and high interest rates on willing seller cultivation.

1. Low inventory and high interest rates effect on willing sellers

The market in the greater Portland region is tightening up, even as prices and interest rates continue to rise. In September, new listings, pending listings and closed listings were all down year-over-year, while both the average and median sale price continued to rise between 8-9%.

Also in September, the Portland Business Journal reported on news from Redfin that paints a bleak picture for buyers. The real estate company reported that “91% of Oregonians pay “far below” the 6% mortgage interest rate, the fourth-best such level in the nation. Redfin’s analysts say the current interest rate climate could discourage many from moving, leading to tighter homebuying markets. The group reports a current 20% slump in new listings.

“With rates now at the highest since the 2008 financial crisis, some of those homeowners are discouraged from moving because selling their home and buying another could mean giving up their low mortgage rate and taking on a larger monthly housing bill,” the group wrote.”

These data points are tough for those competing in the active market and present a unique challenge for Metro, who often wants to buy property off-market. In cases when Metro is working to build relationships and cultivate willing sellers with off-market landowners, it is also working against market forces (low inventory, high interest rates) that make it incredibly challenging to encourage sales.

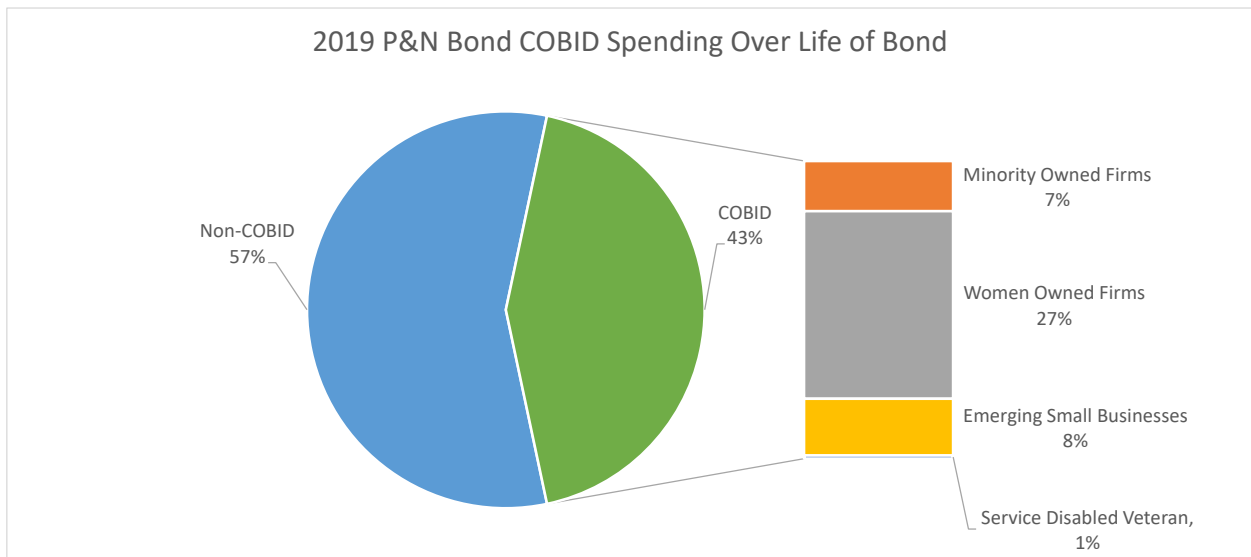
2. Timelines

Metro conducts robust due diligence including Phase I environmental investigations, site and structure inspections, title review and obtains an appraisal. Generally the program pays for an appraisal and only conducts the further due diligence if the appraisal supports the purchase price or can be renegotiated. These are expensive due diligence activities in terms of dollars as well as staff time and Metro staff try to be fiscally responsible. The real estate industry is busy right now, and especially the appraisal industry - appraisals that used to take about 30 days are now taking 8-12 weeks. In some cases, sellers won’t agree to these timelines, but even if a seller does agree to this timeline that still adds about 60 days to Metro’s due diligence time period, bringing it to 120-150 days between agreeing on a purchase and sale agreement with a seller and actually purchasing the property. This delays closing and reporting to the Metro Council and the Oversight Committee.

BOND COBID PARTICIPATION AS OF OCTOBER 31, 2022

Total COBID participation percentages by fiscal year for the 2006 natural areas bond and the 2019 parks and nature bond

Fiscal Year	2006 bond	2019 bond
FY20	32%	1%
FY21	14%	29%
FY22	40%	55%
FY23	62%	51%
YTD		



Breakdown of COBID and Non-COBID contracting to date

	FY20	FY21	FY22	FY23	Total
Non-COBID	451,503	1,548,008	1,800,603	376,791	4,176,905
Minority Owned Firms	-	36,091	493,320	10,693	540,104
Women Owned Firms	3,475	495,565	1,175,758	338,387	2,013,185
Emerging Small Businesses	-	105,007	455,496	48,121	608,624
Service Disabled Veteran	-	-	34,048	-	34,048
	454,977.00	2,184,670.35	3,959,226.12	773,992.37	7,372,866