

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF STATING AN INTENT TO SUBMIT ) RESOLUTION NO. 05-3612  
TO THE VOTERS THE QUESTION OF THE )  
ESTABLISHMENT OF A FUNDING MEASURE TO SUPPORT ) Introduced by  
NATURAL AREA AND WATER QUALITY PROTECTION ) Metro Council President  
AND ESTABLISHING A BLUE RIBBON COMMITTEE; AND ) David Bragdon  
SETTING FORTH THE OFFICIAL INTENT OF THE METRO )  
COUNCIL TO REIMBURSE CERTAIN EXPENDITURES OUT )  
OF THE PROCEEDS OF OBLIGATIONS TO BE ISSUED IN )  
CONNECTION WITH THE REGIONAL PARKS AND )  
GREENSPACES PROGRAM )

WHEREAS, the Metro Council has taken a leadership role in identifying natural areas in the region and working for their protection; and

WHEREAS, in May 1995 regional voters approved a \$135.6 million Open Spaces, Parks and Streams Bond Measure (1995 Open Spaces Bond Measure) with a stated goal of acquiring land in 14 of the 57 regional natural areas identified in the Greenspaces Master Plan and six of the 34 regional trails and greenways identified in the Greenspaces Master Plan; and

WHEREAS, the implementation of the 1995 Open Spaces Bond Measure has been successfully completed and the Metro Council has acquired, to date, over 8,100 acres (3,278 hectares) of open spaces in 14 target areas and 6 trails and greenways, and has protected 74 miles (119 kilometers) of stream and river frontage, greatly surpassing the 6,000-acre (2,428 hectares) minimum acquisition goal identified in the 1995 Open Spaces Bond Measure; and

WHEREAS, the challenge should be considered on-going and the 1995 Open Spaces Bond Measure was intended to acquire only a fraction of most of the natural areas identified as worthy of protection, and with growth continuing to occur in the region, there is a continuous need to acquire additional natural areas to provide a growing population with opportunities for outdoor recreation, and to protect the region's air and water quality, and to preserve fish and wildlife habitat; and

WHEREAS, the Metro Policy Advisory Committee (MPAC), composed of elected officials representing local governments, adopted a "Vision Statement" in 2000 to enunciate the region's commitment to improve the ecological health and functionality of the region's fish and wildlife habitat; and

WHEREAS, on April 25, 2001, MPAC unanimously adopted the Final Report of its Parks Subcommittee which, among other things, noted the need for additional land acquisition for parks and open spaces beyond the scope of the 1995 bond measure; and

WHEREAS, on December 9, 2004 the Metro Council adopted Resolution No. 04-3506A, "For the Purpose of Revising Metro's Preliminary Goal 5 Allow, Limit, or Prohibit Decision; and Directing the Chief Operating Officer to Develop a Fish and Wildlife Habitat Protection and Restoration Program That Relies on a Balanced Regulatory and Incentive Based Approach," in which the Metro Council resolved to take before the voters by November 2006 a an open spaces acquisition bond measure that included authorization to acquire regionally significant fish and wildlife habitat from willing sellers; and

WHEREAS, on May 12, 2005, the Metro Council adopted Resolution No. 05-3574A “Establishing a Regional Habitat Protection, Restoration and Greenspaces Initiative Called Nature In Neighborhoods” (“Nature In Neighborhoods Initiative”); and the Nature in Neighborhoods Initiative calls for region-wide habitat protection using a variety of means, including acquisition of critical fish and wildlife habitat from willing sellers and restoration of key wetland, streamside and upland sites; and

WHEREAS, the Nature In Neighborhoods Initiative specifically calls for the Metro Council to place a bond measure before the voters in 2006 that would provide public funds to acquire critical fish and wildlife habitat from willing sellers in the urban area; and

WHEREAS, the Metro Council is planning to undertake a program consisting of the protection of land and property interests to be preserved as natural areas, rivers and streams, open spaces, and parks, and the construction and installation of certain improvements and the undertaking of certain restoration measures in connection therewith as described herein (collectively, the “Project”); and

WHEREAS, the Metro Council is authorized under the laws of the State of Oregon and the Metro Charter to issue bonds and other obligations for the purpose of providing long-term financing for the Project; and

WHEREAS, pending the issuance of and the availability of the proceeds from the issuance and sale of such bonds and other obligations, some expenditures will be made in connection with the Project that have been and will be paid on an advance basis, with the expectation and intent that Metro will be reimbursed for all such advances out of the proceeds of the bonds and obligations as and when the same are issued; and

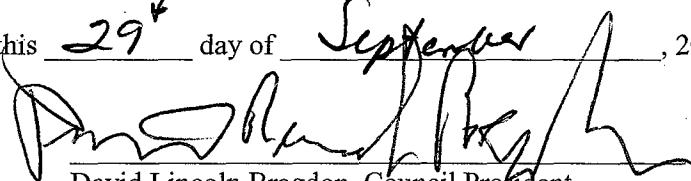
WHEREAS, United States Treasury Regulation 1.150-2 requires issuers of tax-exempt bonds to declare their intention if the issuers intend to use bond proceeds to reimburse expenditures that are initially funded from other sources;

NOW, THEREFORE, BE IT RESOLVED BY THE METRO COUNCIL THAT,

1. The Metro Council hereby states its intent to submit to the voters of the region a general obligation funding measure to protect habitat, river and stream frontages, and natural areas, through open space acquisition, restoration, and development. This measure shall be included on either the primary or general election ballot no later than November 2006;
2. The Metro Council reasonably expects that the general obligation bonds that Metro will submit to the voters shall be in an amount between \$135-\$270 million, which ultimate amount shall be later determined by resolution of the Metro Council after considering recommendations as set forth herein;
3. The Metro Council hereby states its intent and commitment that the measure state that the bond funds shall not be used to condemn land, and that all land acquisitions with these bond funds shall be on a “willing seller” basis;
4. Metro Council staff is directed to consult with local governments, interested individuals and groups regarding their local open spaces needs and for recommendations for the bond measure amount, and return to the Metro Council by December 15, 2005 with a specific recommendation;

5. The Metro Council hereby establishes a Blue Ribbon Committee composed of civic leaders, and the Council President hereby appoints and the Council hereby confirms the Blue Ribbon Committee Chair and committee members as set forth in Exhibit A attached hereto and incorporated herein;
6. The Blue Ribbon Committee shall meet 3 to 4 times between now and December 1, 2005, with administrative and technical support from the Metro staff, and the committee shall advise and make recommendations to the Metro Council regarding aspects of the bond measure program including the size of the bond, "local share," "opportunity fund," "target areas," and other basic program components as set forth in Exhibit B attached hereto and incorporated herein, and shall return to the Metro Council by December 15, 2005 with specific recommendations;
7. Metro Council staff is further directed to work on obtaining options to purchase specific properties approved by Council, compile factual and scientific information, and engage in all other preliminary work associated with the Project and the funding proposal contemplated herein;
8. The Metro Council reasonably expects to reimburse certain expenditures described herein with the proceeds of bonds or other obligations that Metro expects to issue in the future (the "Reimbursement Bonds"), and that Metro shall be the Issuer or Conduit Buyer;
9. The pre-bond measure expenditures that the Metro Council reasonably expects to reimburse from the proceeds of Reimbursement Bonds have been, or will be, made from the Metro General Fund and the Metro Regional Parks Operating Fund in connection with the design, planning, and feasibility of the Project, and with acquiring, constructing and installing the Project;
10. Metro does not expect to issue more than \$1 million of Reimbursement Bonds to finance the pre-bond measure expenditures described herein; and
11. The Metro Council hereby delegates to the Metro Chief Financial Officer the authority to make future reimbursement declarations on behalf of Metro pursuant to Treasury Regulation 1-150-2 or any replacement law.

ADOPTED by the Metro Council this 29<sup>th</sup> day of September, 2005.

  
 David Lincoln Bragdon, Council President

Approved as to Form:  
 Daniel B. Cooper, Metro Attorney


  
 By: Alison Kean Campbell  
 Senior Metro Attorney



Exhibit A  
Resolution 05-3612

**Blue Ribbon Committee**

The following individuals have been appointed by the Metro Council President and are hereby confirmed by the Metro Council to serve on the Blue Ribbon Committee from September 29 through December 15, 2005:

- Fred Miller, Chair
- Sara Vickerman
- Charles Jordan
- Fred Bruning
- Patricia McCaig
- Larry Sitz
- Randolph Miller
- Ashleigh Flynn
- John Griffiths
- Mike Houck
- Don Morissette
- Lori Luchak
- Dick Cantlin
- Dilafruz Williams
- Hans Van De Meer
- Carol Dillon
- Lynn Lehrbach
- Debbie Craig

Exhibit B  
Resolution 05-3612

The Metro Council is asking the Blue Ribbon Committee to serve on a short term basis, beginning in early October and concluding by December 1, 2005, meeting 3 to 4 times to analyze the current opportunities for the continuation of a willing seller acquisition program and related investments for the health of our rivers, streams and most critical habitats. Metro Parks staff will serve as technical and administrative support to the committee and provide background information, including a detailed public survey on these issues which was recently conducted.

The Committee will advise the Council on the following specific questions:

- a. How large should the measure be, within a range of \$135-270 million?
- b. How much of the bond should be dedicated to the "local share per capita" component, as implemented under the 1995 measure (it being the Council's preliminary sentiment that the local share per capita amount be approximately double the 1995 amount of \$25 million)?
- c. How much of the bond proceeds should be distributed through a competitive grant process where a broad range of community groups would be eligible to receive local share funds to implement habitat protection and enhancement projects at the neighborhood level: non-profits, watershed councils, neighborhood associations, etc.? This competitive fund could be set up to require matching funds, community partners and other incentives to expand this public investment.
- d. Which specific regional "target areas" should be prioritized for future acquisition? The identification of specific target areas was a cornerstone of the 1995 measure, and led to greater focus and strategic outcome. Metro Council staff recently has been working with leading biologists throughout the region to examine the natural areas inventory work undertaken by the Metro Council over the past few years, and identify specific areas that might be opportune for protection. The findings of the interviews being conducted with local biologists will be reviewed by the Blue Ribbon Committee to inform their discussion.

Following the completion of the Blue Ribbon Committee's work by December 1, 2005, they will issue their recommendations about the measure to the Metro Council. The Council will then ask the community at large to review and comment on those recommendations, with specific feedback from Metro's Greenspaces Policy Advisory Committee (GPAC), local jurisdictions, and the community at large. This public review will continue until the Council makes its final referral of the measure to the voters on approximately March 1, 2006 for inclusion on the November 2006 ballot.

## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 05-3612 FOR THE PURPOSE OF STATING AN INTENT TO SUBMIT TO THE VOTERS THE QUESTION OF THE ESTABLISHMENT OF A FUNDING MEASURE TO SUPPORT NATURAL AREA AND WATER QUALITY PROTECTION AND ESTABLISHING A BLUE RIBBON COMMITTEE; AND SETTING FORTH THE OFFICIAL INTENT OF THE METRO COUNCIL TO REIMBURSE CERTAIN EXPENDITURES OUT OF THE PROCEEDS OF OBLIGATIONS TO BE ISSUED IN CONNECTION WITH THE REGIONAL PARKS AND GREENSPACES PROGRAM

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Date: September 13, 2005

Prepared by: Jim Desmond  
Chris Carlson

### BACKGROUND

In 1992, the Metro Council adopted the Metropolitan Greenspaces Master Plan, which identified 57 regionally significant natural areas and 34 regional trails and greenways, and stated that it was an important policy goal to protect such areas.

The voters of the region funded the first installment of this effort by passing a \$135.6 million Open Spaces, Parks and Streams Bond Measure in May 1995, which directed the Metro Council to purchase land for purposes of protection and potential public access in 14 of the many regionally significant natural areas and 6 of the trails and greenways, and provide funding directly to local jurisdictions and park providers to fund acquisitions and capital improvements related to natural areas in local communities.

With proceeds from the Metro 1995 Bond Measure, the Metro Council has acquired over 8,100 acres (3,278 hectares) of natural areas, trails and fish and wildlife habitat, exceeding the 6,000-acre (2,428 hectare) goal stated in the bond measure. This was considered a first step, as the authority and scope of the 1995 Bond Measure was not anticipated to be sufficient to acquire all natural areas in the region determined to be worthy of protection. In order to provide the burgeoning population of the region with opportunities for outdoor recreation, and to protect fish and wildlife habitat, and the region's air and water quality, it is necessary to take the next step now and continue to acquire additional natural areas.

In 2000, a "Vision Statement" was adopted by the Metro Policy Advisory Committee (MPAC), which is made up of elected officials of the cities and counties of the region. The document stated the region's commitment to improve the ecological health of fish and wildlife habitat.

In 2001, MPAC unanimously adopted the Final Report of its Parks Subcommittee. Stated in the report was a need for additional land acquisition for open spaces and parks beyond the scope of the 1995 Bond Measure. Acting through MPAC, the local cities and park districts of the region urged the Metro Council to extend this effort.

In December, 2004, the Metro Council adopted Resolution No. 04-3506A "For the Purpose of Revising Metro's Preliminary Goal 5 Allow, Limit, or Prohibit Decision; and Directing the Chief Operating Officer to Develop a Fish and Wildlife Habitat Protection and Restoration Program that Relies on a Balanced Regulatory and Incentive Based Approach," which resolved to develop and take before the voters a fish and wildlife habitat protection, acquisition and restoration program bond measure by November 2006.

In 2003, the Council established a Greenspaces Policy Advisory Committee (GPAC) and in May, 2005, GPAC forwarded a draft vision for the region's greenspaces which was accepted by the Metro Council after receiving favorable reaction from the local governments at MPAC. GPAC, constituted of leading parks professionals and advocates, has articulated an inspiring broad vision for the region's natural areas which includes public land acquisition as one component.

Any measure that the Metro Council would refer to the voters for land acquisition would be operated strictly on a "willing seller" (i.e. no condemnation) basis, and the land would be preserved as natural areas, open spaces, and parks. The measure would include provisions for certain capital improvements and restoration efforts. As in the 1995 measure, some funds would be distributed directly to local jurisdictions.

Metro Council will consult with local governments, interested individuals and non-profit groups regarding open spaces needs and for recommendations for the bond measure amount. GPAC will continue to be vital in this process. The Metro Council will also establish a Blue Ribbon Committee composed of civic leaders, which will make recommendations to the Metro Council regarding aspects of the bond measure program including the size of the measure, "local share," "opportunity fund," "target areas" and other basic program components.

The bond issue amount to be included in the ballot referral is currently estimated at \$135 million to \$270 million. For purposes of this resolution, the estimate should be large enough to cover the maximum possible estimated cost of the project. The final bond amount will be determined after the Metro Council reviews and considers recommendations first from the Blue Ribbon Committee, then from Metro's Greenspaces Policy Advisory Committee (GPAC), the local jurisdictions and the community at large.

The Blue Ribbon Committee will be formed for the limited purpose of advising the Metro Council on the basic elements of the bond, as outlined above. They will meet 3 to 4 times between now and December 1, 2005, with administrative and technical support from Metro staff. The recommendations of the Blue Ribbon Committee will be forwarded to Metro Council by December 15, 2005.

Internal Revenue Service (IRS) Regulations allow issuers of municipal debt to reimburse themselves for certain preliminary expenditures incurred to develop and design projects which will be refinanced through the issuance of debt financing. Out of the total bond measure amount, pre-bond measure reimbursable expenses as defined by the IRS are estimated to be less than \$1 million, as stated in the Resolution. Before reimbursable costs are incurred, however, the issuer must adopt a resolution of intent to reimburse itself, which is why this intent to reimburse is set forth in the Resolution.

## **ANALYSIS/INFORMATION**

**1. Known Opposition:** None

**2. Legal Antecedents:** Under the laws of the State of Oregon (ORS Chapter 288) and the Metro Charter (Sections 10 and 12), Metro is authorized to issue bonds and other obligations for the purpose of providing long-term financing for the project subject to voter approval. To fund this acquisition effort, the Metro Council would refer to the voters of the region a General Obligation Bond Measure in November 2006.

Resolution No. 92-1637 "For the Purpose of Considering Adoption of the Metropolitan Greenspaces Master Plan".

Resolution No. 94-2011A "For the Purpose of Submitting to the Voters a General Obligation Bond Indebtedness in the Amount of \$138.80 Million to Proceed with the Acquisition of Land for a Regional System of Greenspaces."

Resolution No. 04-3506A "For the Purpose of Revising Metro's Preliminary Goal 5 Allow, Limit or Prohibit Decision, and Direct the Chief Operating Officer to Develop a Fish and Wildlife Habitat Protection and Restoration Program," in which the Metro Council resolves to develop and take before the voters by November 2006 an open spaces acquisition bond measure that includes authorization to acquire regionally significant fish and wildlife habitat from willing sellers.

**3. Anticipated Effects:** The program will continue acquisition in the Metro region with a focus on remaining regionally significant natural areas, including properties adjacent to rivers and streams, and on other properties within the target areas identified by local jurisdictions, the Blue Ribbon Committee and the public. A regional restoration effort for fish and wildlife lands would be initiated. Acquisition and/or construction of regional trail corridors would occur. A local share component would exist (% to be determined) and criteria be established for use of local share bond funds. A challenge matching grant component would be established for local governments, non-profits and other community groups to purchase land or complete capital improvement projects based on established criteria.

**4. Budget Impacts:** Budget has been established in the 2005-06 Fiscal Year for pre-bond measure reimbursable expenses of \$215,136. This includes expenses related to public information dissemination, ads and legal notices, legal fees (bond counsel) and real estate options, and associated staffing efforts. In FY 2006-07, anticipated expenses include the cost of the election, and financial planning and bond counsel services related to issuance of debt.

## **RECOMMENDED ACTION**

Chief Operating Officer Michael J. Jordan recommends passage of Resolution No. 05-3612.