

BEFORE THE METRO COUNCIL

RESOLUTION NO. 07-3819

AUTHORIZING THE CHIEF OPERATING OFFICER
TO ACQUIRE PROPERTY IN THE JOHNSON CREEK
TARGET AREA UNDER THE 2006 NATURAL AREAS
BOND MEASURE

Introduced by Chief Operating Officer
Michael J. Jordan, with the
concurrence of Council President
David Bragdon

WHEREAS, the Metro Council has taken a leadership role in identifying remaining natural areas in the Metro area and planning for their protection; and

WHEREAS, Resolution No. 06-3672B "For the Purpose of Submitting to the Voters of the Metro Area a General Obligation Bond Indebtedness in the Amount of \$227.4 Million to Fund Natural Area Acquisition and Water Quality Protection," adopted by the Metro Council on March 9, 2006 (the "2006 Natural Areas Bond Measure"), recommended submission to the voters of a general obligation bond to preserve natural areas and clean water and protect fish and wildlife; and

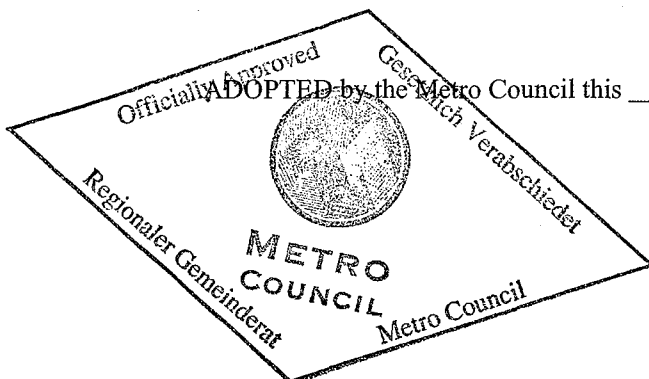
WHEREAS, the voters approved the 2006 Natural Areas Bond Measure at the general election held on November 7, 2006; and

WHEREAS, as provided in the Measure, Metro is currently undertaking a public refinement process to establish specific acquisition strategies, goals and objectives, and confidential tax-lot specific acquisition target maps, for each of the 27 target areas; and

WHEREAS, in advance of completing the refinement process, Metro staff has identified an opportunity to purchase a property in the 2006 Natural Areas Bond Measure Johnson Creek Target Area, as identified and further described in Exhibit A; and

WHEREAS, all terms of the transaction contemplated herein shall comply with the 2006 Natural Areas Acquisition Parameters and Due Diligence Guidelines, set forth in Metro Council Resolution No. 07-3766A "Authorizing the Chief Operating Officer to Purchase Property with Accepted Acquisition Guidelines as Outlined in the Natural Areas Implementation Work Plan," adopted on March 1, 2007; now, therefore

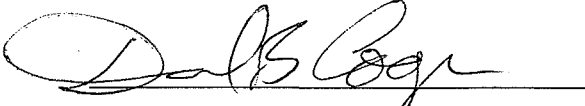
BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to acquire the property identified in Exhibit A, in accord with the Acquisition Parameters and Due Diligence Guidelines of the Natural Areas Implementation Work Plan.



ADOPTED by the Metro Council this 31st day of May 2007.

David Bragdon, Council President

Approved as to Form:

A handwritten signature in black ink, appearing to read "D.B. Cooper", written over a horizontal line.

Daniel B. Cooper, Metro Attorney

**Target Area: JOHNSON CREEK
Clatsop Buttes Natural Area Property**

Description: Staff has identified an opportunity to protect 49 acres of property including densely forested hillsides and floodplain creek frontage in the Boring Lava Domes in the Johnson Creek Target Area. The property is located south of Foster Road and west of Barbara Welch Road on the North face of the butte (“Clatsop Buttes Natural Area Property”).

The site is home to a mix of native trees and vegetation including maples, cedars, Douglas firs, red alder, Oregon grape, huckleberry, elderberry, sword fern and hosts wildlife including deer, fox, coyote, migrating flicker, pileated woodpecker and other birds. Threatened development, which proposes 97 residential sites would have substantial negative impact on the Johnson Creek watershed and would represent the destruction of one of the last remaining functioning intact habitats of this size in the City of Portland. Protection of the sight will retain important habitat, maintain scenic qualities and prevent the water quality impacts of a development of this magnitude on the watershed.

The area has been distinguished by Johnson Creek Target Area stakeholders as one of the last opportunities of this habitat quality and scale in the City of Portland. The City of Portland has identified this habitat in its Natural Areas acquisition strategy accepted by Portland City Council in 2006. The City of Portland is committed to long-term management of this site, maintaining its rare values and protecting it from invasive species.

- Bond Criteria Addressed:**
- Protection of this level of intact canopy on property with multiple drainages to the main stem will keep water temperatures low, a major water quality benefit.
 - Property represents a unique opportunity to protect one of the last intact forested habitats on Johnson Creek within the City of Portland.
 - Identified in refinement plans for the Johnson Creek Target Area an important link in the wildlife corridor extending from Powell Butte South.
 - Protects resources from imminent development threat.
 - The north facing Butte is an important scenic resource.
 - Opportunity is adjacent to City of Portland owned Kingsley D. Bundy Park, a dedicated natural area, which expands habitat protection another 5 acres across Johnson Creek to the North.
 - There has been strong community support and we anticipate active partnership in restoration.

Property identification: Township 1 South, Range 2 East, Section 24B, Lots 1300 and 1400; Township 1 South, Range 2 East, Section 23AA, Lots 900, 1200, 1201, 1202, and 1300; Township 1 South, Range 2 East, Section 23AD, Lot 100; and Township 1 South, Range 2 East, Section 24BB, Lot 1000; Township 1 South, Range 2 East, Section 24BD, Lots 1700, 1800 and 1900

Sellers: Private Party

Size: 49 acres

Stream Frontage: Johnson Creek

Conditions: Metro Council Approval, Appraisal and all other standard due diligence

STAFF REPORT

In consideration of Resolution No. 07-3819, authorizing the Chief Operating Officer to Acquire Property in the Johnson Creek Target Area under the 2006 Natural Areas Bond Measure

Date: May 31, 2007

Prepared by: Kathleen Brennan-Hunter

BACKGROUND

Resolution No. 07-3819 requests authorization for Metro to purchase property in the Johnson Creek Target Area as described in Exhibit A. This resolution proposes authorization for the purchase of the property subject to the terms of a Purchase and Sale Agreement executed between Metro and the Seller. Authorization from Council is needed because Metro Council has not yet approved an acquisition refinement plan for the Johnson Creek Target Area under the 2006 Natural Areas Bond Measure.

Metro Council has directed staff to bring forward for consideration for purchase any high quality sites that are available now, under some threat of being lost if not acted upon at this time, and highly likely to be recommended by key stakeholders and staff as priority sites for acquisition when the refinement plan for their respective target areas are brought forward.

JOHNSON CREEK HEADWATERS

As stated in the 2006 Natural Areas bond description of the Johnson Creek Target Area, as adopted by Metro Council:

Johnson Creek remains the most densely urbanized creek in our region. Opportunities remain to acquire tracts within the remaining floodplain, upland habitat areas adjacent to the main stem, and along both Butler and Kelly creeks to protect water quality and connect public holdings with the Damascus Buttes.

Clatsop Buttes Natural Area

Staff has identified an opportunity to protect 49 acres of property including densely forested hillsides and floodplain creek frontage in the Boring Lava Domes in the Johnson Creek Target Area. The property is located south of Foster Road and west of Barbara Welch Road on the north face of the butte ("Clatsop Buttes Natural Area Property").

Several significant drainages, springs and creeks traverse the site, which includes frontage on Johnson Creek. The site is home to a mix of native trees and vegetation including maples, cedars, Douglas firs, red alder, Oregon grape, huckleberry, elderberry, sword fern and hosts wildlife including deer, fox, coyote, migrating flicker, pileated woodpecker and other birds.

This area including the Clatsop Buttes Natural Area Property has been identified in refinement plans for the Johnson Creek Target Area as a priority habitat protection opportunity and important link in the wildlife corridor extending from Powell Butte to the south. The area has been distinguished by Johnson Creek stakeholders as one of the last opportunities of this habitat quality in the City of Portland.

Threatened development, which proposes 97 residential sites, would have substantial negative impact on the Johnson Creek watershed and would represent the destruction of one of the last large, intact habitats in the City of Portland. Protection of the site will secure important habitat, maintain scenic qualities and prevent water quality impacts from development in this watershed.

There is strong stakeholder and community advocacy for protection of this property. Based on refinement work to date, the science community and stakeholders agree this property will be one of the highest priorities for the Johnson Creek Target Area Refinement Plan.

ANALYSIS/INFORMATION

1. Known Opposition

None.

2. Legal Antecedents

Resolution No. 06-3672B, "For the Purpose of Submitting to the Voters of the Metro Area a General Obligation Bond Indebtedness in the Amount of \$227.4 Million to Fund Natural Area Acquisitions and Water Quality Protection," adopted on March 9, 2006.

The voters' approval of Metro's 2006 Natural Areas Bond Measure at the general election held on November 6, 2006.

Resolution No. 07-3766A "Authorizing the Chief Operating Officer to Purchase Property With Accepted Acquisition Guidelines as Outlined in the Natural Areas Implementation Work Plan," adopted by the Metro Council on March 1, 2007, established the Acquisition Parameters and Due Diligence Guidelines for the purchase of properties as part of the 2006 Natural Areas Bond Program.

This Resolution No. 07-3819 proposes to authorize the purchase of the Property subject to the terms of the Purchase and Sale Agreement executed by the Property owner and Metro.

This authorization assumes that the purchase will meet the terms of the Acquisition Parameters and Due Diligence Guidelines of the 2006 Natural Areas Implementation Work Plan on matters such as appraisal review, environmental audit and title matters. This authorization does not cover any "unusual circumstances" and to the extent any "unusual circumstances" arise during Metro's due diligence process, further Council review and authorization will be required.

3. Anticipated Effects

Assuming that no unusual circumstances arise, Metro will close on the purchase of this property and will own 100% fee simple interest in the property.

The City of Portland will assume Management of the Clatsop Buttes Natural Area Property, under a management IGA to be finalized.

4. Budget Impacts

The property is scheduled to close prior to September 30, 2007 and will be purchased utilizing 2006 Regional Bond proceeds. Metro shall bear stabilization costs only for the Clatsop Buttes Natural Area Property. Landbanking and future management costs for the Clatsop Buttes Natural Area Property shall be borne by the City of Portland under an intergovernmental agreement regarding management.

RECOMMENDED ACTION

The Chief Operating Officer recommends passage of Resolution No. 07-3819.