

 **Metro** | *Agenda*

Date: September 12, 2008
Location: Council Chambers
Time: 7:30 a.m. to 10:30 a.m.
Subject: Natural Areas Program Performance Oversight Committee

Welcome (arrival, coffee etc.)	7:30 – 7:35
Natural Areas Program updates	7:35 – 8:30
Break	8:30 – 8:40
Discussion on Committee’s annual report	8:40 – 10:30
Adjourn	10:30

Coffee, pastries and fruit will be provided

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Natural Areas Program Performance Oversight Committee

September 12, 2008

Committee Members in attendance: Linda Craig, Rocky Dixon, Michele Frank, Peter Krainock (Committee Chair), Anil Krishnamurthy, Jill Long, Jaquenette McIntire, Segeni Mungai, David Pollock

Committee Members excused: Dave Evans, Helena Huang, Don Jones, Lori Luchak, Sylvia Roll

Metro Management: David Bragdon, Kathleen Brennan-Hunter, Jim Desmond

Metro Staff: Paul Garrahan, Marybeth Haliski, Ashley Hohimer, Heather Kent, Jeff Tucker

Guest: Nancy Jerrick

Welcome

Committee Chair Peter Krainock welcomed the committee and thanked everyone for attending the meeting. He introduced Nancy Jerrick, who will be writing the committee's annual report.

Program updates

Kathleen Brennan-Hunter reviewed the acquisition, stabilization and financial reports (attached). She noted that Metro is in the process of hiring a trails planner, which will complete program staffing.

Local Share. Three more IGAs have been signed; six are still to be returned. Some of these are smaller jurisdictions and Metro is working with them to complete the documents.

Capital Grants. The Metro Council awarded \$389,500 for three Nature in Neighborhood capital grant projects, the first funded by the 2006 natural areas bond measure. The projects include \$150,000 for restoration of Crystal Springs Creek and design and construction of a new nature play area at Westmoreland Park; \$99,500 to help transform a historic property in North Portland's Humboldt neighborhood into an outdoor classroom and living laboratory; and \$140,000 to support the acquisition and development of a small neighborhood park in a park deficient, mixed-income community adjacent to permanent affordable housing. David Bragdon noted that one of the benefits of the capital grants program is that it allows us to help fund projects in areas not tied directly to one of our target areas. Rocky Dixon asked if there was a mechanism to track how grantees are spending the funds. Kathleen replied that there are benchmarks and performance measures in place to ensure grantees are in compliance. Jim Desmond noted that because the projects are capital, they are fairly easy to track. Of the projects that did not meet criteria, most did not promote re-naturing or re-greening, were not true capital projects, funds were requested to comply with regulatory issues or the jurisdiction had already budgeted for the project.

Rocky asked about continued outreach, especially to the "west side," which had fewer applications and no grant awardees in this first round. Kathleen replied that the grant review committee helped draft an outreach plan to reach area non-profits and school groups, and staff will give presentations about the program and present grant writing workshops. Peter Krainock asked if there was adequate staffing for the program; Kathleen responded yes, but she will review the staffing level in six months. Two employees

devote half of their time to the capital grants program. Segeni Mungai suggested adding program information to various jurisdictions' websites. Kathleen noted that the City of Portland does have a page devoted to the program, and agreed this was a good way to spread information about the program and solicit applications. Regarding the inequity of east side vs. west side applications, David Bragdon noted that the east side has a different level of community involvement than the west side. David Pollock said that as long as Metro documents efforts to engage west side organizations, he did not see a problem with the uneven awards. Peter acknowledged that Metro seemed to be aware of the challenges and suggested the committee review the issue next year, after the next round or two of grants are awarded. Linda Craig asked if the grant criteria is too onerous. Kathleen responded that the criteria is set out in the bond measure, but that she does not feel it is too difficult to meet the criteria. Jim Desmond noted that Metro had anticipated that the program would start slowly, and expects substantial improvement in the applications by years 3-5.

Acquisitions. Peter noted there have been a lot of acquisitions in east county. Kathleen agreed, and noted that many of the recent acquisitions are in 1995 target areas, so the groundwork had already been laid. In addition, many of the west side acquisition targets are in rural areas and are tied up with Measure 47. She noted that there are several west side projects she expects to close in coming weeks. Peter asked Kathleen what she saw as challenges; she replied it is critical to continue to work with community partners; finalize the hiring of the trails planner and make a strong push in that area; and continue to get out in the community and communicate.

Peter inquired if the double appraisal process has proven successful. Paul noted that while there have been several appraisals where the appraisers have differing interpretations, overall the process is working. He does closely review all appraisals and will contact the appraisers if the reports are widely divergent or if a specific appraiser is continuously off the mark. Rocky Dixon asked that examples of a "good" and a "bad" appraisal could be discussed at the next meeting.

Peter asked David Bragdon for a "state of the bond measure" report. David replied that from the Metro Council's standpoint, the program is a success. He noted that the refinement process was extremely well-run and very helpful, and the staff is professional and knowledgeable. David also thanked the Oversight Committee for their willingness to share their expertise.

Annual Report

Committee members discussed what was going well, and what areas still need attention:

Going well:

- Refinement process
- Program staffing
- Closing memos
- Easy-to understand financial statements; transparent budget
- Tired target areas
- Best practices for negotiation and due diligence
- Efficient Metro/committee interaction
- Well-defined criteria
- Program is politic-free (transcends electeds)
- Metro is flexible, willing and eager to accept committee input
- Informative website
- Target area tours
- Appropriate council involvement
- Equitable decision making
- Ability to say no
- Administrative costs >10%
- Response to Auditor's report

Opportunities for improvement:

- Regional equity
- Grants program
- Communications/outreach
- Signage
- Collaboration with other Metro departments/MCCI/Connecting Green
- Formally document and track “failures” in acquisition process
- Define who the sellers are
- What are the annual acquisition/financial goals and have they been met?
- Depend too much on website

Nancy Jerrick will send a draft copy of the report to the committee; Peter asked that members respond as soon as possible. The report will be presented to the Metro Council at 2:00 p.m. Thursday, October 23. It will then be sent to the media and posted on Metro’s website.

David Bragdon and Jim Desmond thanked the committee for their positive comments and expertise over the past year.

Next Meeting

The committee will reconvene in early December.

Adjournment. The meeting adjourned at 10:30 am.

Natural Area Acquisition Report by Target Areas - Including Stabilization Costs

File #	Seller	Date	Acres	Purchase Price	Stabilization Costs	City/Jurisdiction	County	Total Stream Frontage (ft)	% Metro Ownership	% Other Ownership	Mgmt. By	% in Tier 1
95 Bond Target Areas												
Goal: 850 acres												
Dairy and McKay Creeks Confluence												
07 039	Wetter Trust	4/13/2007	93.3	\$700,000	\$6,917	Unincorporated	Washington	5,280	100		Metro	100.00%
East Buttes												
02 097	Miller	6/30/2008	20.99	\$3,000,000		Happy Valley	Clackamas	1,404	97	3	NCPRD	100.00%
02 125	Daby Ridge	6/6/2007	37.3	\$3,600,000	\$5,920	Gresham	Multnomah	0	75	25	Gresham	0.00%
02 135	Persimmon	7/20/2007	70	\$3,454,920	\$20,668	Gresham	Multnomah	0	100		Metro	100.00%
02 136	Persimmon	7/20/2007	8	\$198,250	\$819	Gresham	Multnomah	0	100		Metro	100.00%
Forest Park Connections												
06 058	Margolis	3/27/2007	57.5	\$1,790,000	\$47,582	Unincorporated	Multnomah	0	100		Metro	100.00%
Tualatin River Greenway												
11 031	Kapauu	9/28/2007	0.41	\$275,000	\$6,478	Unincorporated	Clackamas	410	100		Metro	0.00%
# of Transactions: 7												
Acres: 287.5 \$13,018,170 \$88,384 Total % Tier 1 Acres: 86.88%												
Abernehy and Newell Creeks												
Goal: 150 acres												
03 053	Evanson/TPL	8/13/2007	106.66	\$1,140,000	\$4,294	Unincorporated	Clackamas	0	100		Metro	100.00%
# of Transactions: 1												
Acres: 106.66 \$1,140,000 \$4,294 Total % Tier 1 Acres: 100.00%												
Chelalem Ridgetop to Refuge												
Goal: 400 acres												
48 001	Berry Property (Hamacher/P	2/11/2008	36.3	\$1,146,500	\$7,800	Unincorporated	Washington	0	100		Metro	100.00%
48 001A	Berry Property (Hamacher/P	12/31/2007	4.2	\$0		Unincorporated	Washington	0	100		Metro	0.00%
# of Transactions: 2												
Acres: 40.5 \$1,146,500 \$7,800 Total % Tier 1 Acres: 89.63%												
Clackamas River Bluffs and Greenway												
Goal: 450 acres												

File #	Seller	Date	Acres	Purchase Price	Stabilization Costs	City/Jurisdiction	County	Total Stream Frontage (ft)	% Metro Ownership	% Other Ownership	Mgmt. By	% in Tier 1
18.030	Anderson	2/26/2008	0.689	\$5,000		Unincorporated	Clackamas	0	100		Metro	100.00%
18.033	Thompson	2/27/2008	0.344	\$5,000		Unincorporated	Clackamas	0	100		Metro	100.00%
18.041	ODOT Carver Curves	5/28/2008	16.25	\$335,000		Unincorporated	Clackamas	0	0	100	Clackamas	100.00%
# of Transactions: 3				Acres: 17.283				0			Total % Tier 1 Acres: 100.00%	

Columbia Slough
Goal: 50 acres

28.003	Multnomah C Tax Transfer	10/25/2007	2	\$0		Portland	Multnomah	0	100		Metro	100.00%
28.004	OR Parks Donation	12/10/2007	0	\$0		Portland	Multnomah	1,450	75	25	Metro	0.00%
# of Transactions: 2				Acres: 2				1,450			Total % Tier 1 Acres: 100.00%	

Johnson Creek and Watershed
Goal: 200 acres

29.001	Wong/Gilberts Ridge	6/22/2007	10	\$525,000	\$3,435	Portland	Multnomah	0	100		Portland	100.00%
29.002	Spain/Seely	12/29/2006	1.02	\$240,000	\$9,820	Portland	Multnomah	150	100		Metro	100.00%
29.004	Telford	11/27/2007	20	\$1,200,000	\$20,410	Gresham	Multnomah	3,600	100		Metro	100.00%
29.005	Allcina	7/31/2007	1.28	\$450,000	\$10,248	Gresham	Multnomah	766	100		Metro	100.00%
29.006	Clasp Buttes	7/13/2007	49	\$5,148,750	\$6,073	Portland	Multnomah	900	100		Portland	100.00%
29.007	Clasp Buttes 2	1/7/2008	1.54	\$260,000		Portland	Multnomah	0	100		Portland	100.00%
29.008	Reeves	11/30/2007	52.68	\$5,850,000		Portland	Multnomah	0	100		Portland	100.00%
29.011	Emmert Clasp	5/30/2008	11.32	\$1,600,000		Portland	Multnomah	350	25	75	Portland	100.00%
# of Transactions: 8				Acres: 146.84				5,766			Total % Tier 1 Acres: 100.00%	

Local Share
Goal: 0

53312	Knight's Bridge	3/20/2008	17.1	\$289,919		Unincorporated	Clackamas	0	100		Clackamas	0.00%
53344	Lamb	3/6/2008	20.18	\$4,040,000			Clackamas	0	100		NCPRD	0.00%
53501	O'Malley	1/17/2008	0.79	\$325,000		Milwaukie	Clackamas	0	100		Milwaukie	100.00%
53687	Coprans	11/30/2007	0.71	\$401,658		Beaverton	Washington	0	100		THPRD	100.00%
53792	Sites	7/23/2007	3.94	\$700,000		Forest Grove	Washington	0	100		Forest Grov	100.00%
53872	Schalz	12/18/2007	1.11	\$580,000		Tigard	Washington	275	100		Tigard	0.00%
54211	Waterleaf	2/26/2008	26.85	\$4,000,000		Portland	Multnomah	0	100		Portland	0.00%
# of Transactions: 7				Acres: 70.68				275			Total % Tier 1 Acres: 7.70%	

File #	Seller	Date	Acres	Purchase Price	Stabilization Costs	City/Jurisdiction	County	Total Stream Frontage (ft)	% Metro Ownership	% Other Ownership	Mgmt. By	% in Tier 1
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Lower Tualatin River Headwaters
Goal: 400 acres

54.001	Burge Trust	5/2/2007	52.93	\$808,500	\$5,243	Unincorporated Hillsboro	Washington	9,240	100		Metro	100.00%
54.006	Brown	4/30/2007	44.19	\$244,000	\$5,394	Hillsboro	Washington	0	100		Metro	100.00%

of Transactions: 2 Acres: 97.12 \$1,052,500 \$10,638 9,240 Total % Tier 1 Acres: 100.00%

Stafford Basin
Goal: 200 acres

55.002	Stevens	6/20/2008	24.7	\$1,800,000		Lake Oswego	Clackamas	4,550	100		Metro	100.00%
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of Transactions: 1 Acres: 24.7 \$1,800,000 4,550 Total % Tier 1 Acres: 100.00%

Total Acres Acquired: 793.28 Total Purchase Price: \$44,112,497 Total Stream Frontage: 28,375 Feet / 5.37 Miles
 Total Number of Acquisitions: 33 Total Stabilization Costs: \$161,101

Stabilization Report

File #	Seller	Date	Acres	Regional Bond \$	City/Jurisdiction	% Other Ownership	Mgmt by	Stabilization Report	Date Completed	Stabilization Comments:
Target Area: 95 Bond Target Areas										
Dairy and McKay Creeks Confluence										
07.039	Wetter Trust	4/13/2007	93.30	\$700,000	Unincorporated		Metro	Completed		
East Buttes										
02.097	Miller	6/30/2008	20.99	\$2,900,000	Happy Valley	3	NCPRD	Completed		
02.125	Darby Ridge	6/6/2007	37.30	\$2,700,000	Gresham	25	Gresham	Completed		
02.135	Persimmon	7/20/2007	70.00	\$3,454,920	Gresham		Metro	Completed		
02.136	Persimmon	7/20/2007	8.00	\$198,250	Gresham		Metro	Completed		
Forest Park Connections										
06.058	Margolis	3/27/2007	57.50	\$1,790,000	Unincorporated		Metro	Completed	10/18/200	
Tonguin Geologic										
08.024	Dammasech DAS	7/25/2008	19.76	\$186,300	Wilsonville		Metro			
Tualatin River Greenway										
11.031	Kaplan	9/28/2007	0.41	\$275,000	Unincorporated		Metro	Completed		
Totals:										
				307.26	\$12,204,470					
Total Transactions for 95 Bond Target Areas Target Area: 8										
Target Area: Abernethy and Newell Creeks										
03.053	Evanson/TPL	8/13/2007	106.66	\$1,140,000	Unincorporated		Metro	Completed	10/18/200	
Totals:										
				106.66	\$1,140,000					
Total Transactions for Abernethy and Newell Creeks Target Area: 1										
Target Area: Chehalem Ridgetop to Refuge										
48.001	Berry Property	2/11/2008	36.30	\$1,146,500	Unincorporated		Metro	Pending		
48.001A	Berry Property	12/31/2007	4.20	\$0	Unincorporated		Metro	Pending		
Totals:										
				40.5	\$1,146,500					
Total Transactions for Chehalem Ridgetop to Refuge Target Area: 2										

Friday, September 05, 2008

File #	Seller	Date	Acres	Regional Bond \$	City/Jurisdiction	% Other Ownership	Mgmt by	Stabilization Report	Date Completed	Stabilization Comments
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18.030	Anderson	2/26/2008	0.69	\$5,000	Unincorporated		Metro	No Report Needed		
18.033	Thompson	2/27/2008	0.34	\$5,000	Unincorporated		Metro	No Report Needed		
18.041	ODOT Carver Curves	5/28/2008	16.25	\$335,000	Unincorporated	100	Clackamas	No Report Needed		

Totals: 17.283 \$345,000

Total Transactions for Clackamas River Bluffs and Greenway Target Area: 3

TargetArea: Columbia Slough

28.003	Multnomah C Tax Transfer	10/25/2007	2.00	\$0	Portland		Metro	No Report Needed		
28.004	OR Parks Donation	12/10/2007	0.00	\$0	Portland	25	Metro	No Report Needed		

Totals: 2 \$0

Total Transactions for Columbia Slough Target Area: 2

TargetArea: Johnson Creek and Watershed

29.001	Wong/Gilberts Ridge	6/22/2007	10.00	\$525,000	Portland		Portland	Completed	10/18/200	
29.002	Spani/Seely	12/29/2006	1.02	\$240,000	Portland		Metro	Completed		
29.004	Telford	11/27/2007	20.00	\$1,200,000	Gresham		Metro	Pending		
29.005	Alesina	7/31/2007	1.28	\$450,000	Gresham		Metro	Completed	10/18/200	
29.006	Clatsop Buttes	7/13/2007	49.00	\$5,148,750	Portland		Portland	Pending		
29.007	Clatsop Buttes 2	1/7/2008	1.54	\$260,000	Portland		Portland	Pending		
29.008	Reeves	11/30/2007	52.68	\$5,850,000	Portland		Portland	Pending		
29.011	Emmett Clatsop	5/30/2008	11.32	\$375,000	Portland	75	Portland	Pending		
29.012	Stickey	7/14/2008	1.98	\$400,000	Gresham		Gresham	Pending		

Totals: 148.82 \$14,448,750

Total Transactions for Johnson Creek and Watershed Target Area: 9

TargetArea: Local Share

53312	Knight's Bridge	3/20/2008	17.10	\$0	Unincorporated	100	Clackamas	No Report Needed		
53344	Lamb	3/6/2008	20.18	\$0	Unincorporated	100	NCPRD	No Report Needed		
53501	O'Malley	1/17/2008	0.79	\$0	Milwaukie	100	Milwaukie	No Report Needed		
53687	Copanis	11/30/2007	0.71	\$0	Beaverton	100	THPRD	No Report Needed		
53792	Sites	7/23/2007	3.94	\$0	Forest Grove	100	Forest Grove	No Report Needed		
53872	Schalz	12/18/2007	1.11	\$0	Tigard	100	Tigard	No Report Needed		

Friday, September 05, 2008

File #	Seller	Date	Acres	Regional Bond \$	City/Jurisdiction	% Other Ownership	Mgmt by	Stabilization Report	Date Completed	Stabilization Comments:
54211	Waterleaf	2/26/2008	26.85	\$0	Portland	100	Portland	No Report Needed		

Totals: 70.68
 Total Transactions for Local Share Target Area: 7

TargetArea: Lower Tualatin River Headwaters

54.001	Burge Trust	5/2/2007	52.93	\$808,500	Unincorporated		Metro	Completed		10/18/200
54.006	Brown	4/30/2007	44.19	\$244,000	Hillsboro		Metro	Completed		

Totals: 97.12 \$1,052,500
 Total Transactions for Lower Tualatin River Headwaters Target Area: 2

TargetArea: Stafford Basin

55.002	Stevens	6/20/2008	24.70	\$1,800,000	Lake Oswego		Metro	Pending		
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Totals: 24.7 \$1,800,000
 Total Transactions for Stafford Basin Target Area: 1

Regional Acquisitions Total all Target Areas: Total Acres: 815.023
 Total Regional Bond \$: \$32,137,220
 Total Transactions: 35

2006 Natural Areas Bond Fund

Summary of Resources, Requirements and Changes in Fund Balance
(Unaudited)

	FY07	FY08 YTD		Program
	Amount	6/30/2008 (2nd close)	Amount	Total
		FTE		Amount
Beginning Fund Balance	0		122,299,467	0
Resources				
Bond Proceeds	130,678,369		0	130,678,369
Interest Earnings	1,301,230		5,600,503	6,901,733
Other Resources	10,000		27,380	37,380
Subtotal Resources	131,989,599		5,627,883	137,617,483
Requirements				
Land Acquisition				
Staff Costs	117,956	4.50	206,692	324,648
Materials & Services	6,786		2,599	9,385
Land Costs	7,596,372		25,224,753	32,821,125
Due Diligence				
Staff Costs	0	5.00	412,029	412,029
Materials & Services	96,539		199,756	296,295
Stabilization				
Staff Costs	19,578	3.40	116,534	136,112
Materials & Services	667		181,088	181,755
Local Share				
Staff Costs	0	0.63	36,269	36,269
Materials & Services	0		25	25
Payments to Jurisdictions	400,000		4,798,366	5,198,366
Capital Grants				
Staff Costs	0	0.87	63,831	63,831
Materials & Services	0		1,400	1,400
Grant Payments	0		0	0
Capital Construction				
Staff Costs	0	0.80	84,071	84,071
Capital	455,072		1,513,347	1,968,419
Administration				
Bond Issuance Costs	295,889		0	295,889
Refinement				
Staff Costs	1,477		5,426	6,903
Materials & Services	382,030		85,882	467,912
Direct Admin Costs				
Staff Costs	230,815	4.75	527,644	758,459
Materials & Services	25,980		152,007	177,987
Indirect Admin Costs*	60,971		472,725	533,696
Other Requirements	0		0	0
Subtotal Requirements	9,690,132	19.95	34,084,444	43,774,576
Ending Fund Balance	122,299,467		93,842,907	93,842,907
	FY07		FY08 YTD	Total
Administration as % of Total Expenditures	10.29%		3.65%	5.12%

* Indirect Administrative Expenses are those charged through internal allocation, and include services such as Human Resources, risk management, payroll, building rents, etc.

Note: Due Diligence staff costs have been removed from "Indirect Admin Costs" and the FTE for these positions is shown as a direct expense.