



**Meeting:** Natural Areas Program Performance Oversight Committee  
**Date:** February 16, 2011  
**Time:** 10 a.m. to 1 p.m.  
**Location:** Metro Regional Center, Room 401

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10:00	<b>Welcome and introductions</b>	Linda Craig
10:15	<b>Program updates and follow-up on information requested at last meeting</b> <i>Conclusions, questions for follow-up and recommendations</i>	Kathleen Brennan-Hunter
11:00	<b>Subcommittee reports</b> <i>Conclusions, questions for follow-up and recommendations</i>	Subcommittees
11:30	<b>Break (lunch)</b>	
11:45	<b>The Intertwine</b>	Jim Desmond
12:15	<b>Partners and future management</b> <i>Conclusions, questions for follow-up and recommendations</i>	Dan Moeller
1:00	<b>Adjourn</b>	

Lunch will be provided.

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## Natural Areas Program Performance Oversight Committee

June 28, 2011

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**Committee members in attendance:** Dean Alterman, Drake Butsch, Linda Craig (committee chair), Kay Hutchinson, Walt McMonies, Shawn Narancich, Andrew Nordby, Norman Penner, David Pollock, Autumn Rudisel

**Committee members excused:** Michelle Cairo, Bridget Cooke, Christine Dupres, John Esler, Dave Evans, Sindy Maher, Rick Mishaga, Kendra Smith, Dietra Stivahtis, Cam Turner, Steve Yarosh

**Metro:** Councilor Kathryn Harrington, Kathleen Brennan-Hunter, Jim Desmond, Kate Holleran, Brian Kennedy, Heather Kent, Ashley McCarron

**Guest:** Nancy Jerrick

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### Welcome and introductions

Committee chair Linda Craig welcomed the committee and thanked them for coming. She introduced Nancy Jerrick, who will again write the committee's report.

### Program updates

Kathleen Brennan-Hunter provided updates on various elements of the Natural Areas program.

**Acquisition** – A 180-acre acquisition in the Willamette Narrows/Canemah Bluff target area is scheduled to close today and will bring the total acreage of Metro-owned property in the area to more than 200 acres. The property is adjacent to an existing Oregon City park.

**Capital grants** – The Metro Council awarded \$1.6 million to six capital grant projects in May. Three are restoration projects; all include some type of interpretive element.

**Local share** – Kathleen and Brian Kennedy discussed plans to evaluate the local share program (see 6/24/11 memo from Brian Kennedy, attached). Local share expenditures have now exceeded 50% of the \$44 million allocation, and staff want to ensure that the program is meeting its goals, that the local jurisdictions feel supported by Metro and that processes are appropriate. Councilor Harrington asked if the Committee would serve as a sponsor for communication with local jurisdictions; various members agreed it would add credibility if the Committee was involved in some way. Jim Desmond said this was an interesting idea; at a minimum, the Committee will have the opportunity review the results of the study and make recommendations for program improvements. Linda Craig asked if information on future management costs could also be requested from the jurisdictions; Brian will consider adding this question to the evaluation questionnaire. Linda said she would like to have the opportunity to review the questionnaire prior to distribution and David Pollock suggested the performance measures subcommittee also review the questionnaire.

**Financial report** – Brian distributed two financial reports, one through May 31 and the other forecast through June 30, Metro's fiscal year end. He noted that administrative costs are at 7 percent for the year, well below the 10 percent threshold.

**Communications initiative** – Advertisements have been placed in local newspapers and on local radio stations and the program’s web pages have been enhanced to include an interactive map and a short film. Kathleen noted that web traffic is up, and will share the specific number of visits to the Natural Areas pages at the next meeting. The Natural Areas booth at local farmers markets has been very popular and people are happy with the free tote bags and opportunities to win an It’s Our Nature t-shirt.

**Stabilization follow-up** – Kate Holleran discussed the new function-based stabilization template, which was created following several conversations with Committee members about the stabilization process. Linda thanked Kate and said the template was a good response to the stabilization subcommittee. Attached is general background on function-based stabilization, a template to be applied to new acquisitions and a function-based stabilization report using the Ralston property as a test subject.

**Implementation of past committee recommendations** – Kathleen briefly discussed the committee’s past recommendations and how they have been implemented (see attached).

**2010-11 performance report** – Kathleen reviewed the program dashboard (attached). Metro spent \$8 million to acquire approximately 400 acres in seven target areas during the last fiscal year. Fourteen trail easements were acquired, helping to close the gaps in the region’s trail systems. Fifty percent of the \$44 million local share allocation has been spent to date, and more than 30 percent of the \$15 million capital grant allocation has been awarded.

Councilor Harrington noted that the Metro Council has requested that staff compile an inventory and technical analysis of Metro’s land portfolio, including the potential for future public use, financial needs and various operating scenarios.

### **Annual committee report and approval of subcommittee reports**

The Committee reviewed the report outline provided by Nancy Jerrick and commented on the various subcommittee reports. There was some discussion about the draft title of the report (*Fine Tuning*); Nancy and Linda will discuss and possibly send alternative titles to the Committee for comment/approval.

**Progress by program area** – David Pollock reported that performance measures established by Metro are being actively used and are expanding to include the local share and capital grant programs. Autumn Rudisel suggested including the dashboard in the report. A motion was made, seconded and approved to accept the subcommittee’s oral report as presented.

**Stabilization overview** – A motion was made, seconded and approved to accept the subcommittee’s written report (attached) as presented, as well as Kate Holleran’s response (updated stabilization template) to the subcommittee’s suggestions.

**Staffing and program overhead** – Drake Butsch, reporting for the subcommittee, said that they limited their work to determining how the percentage of costs spent on overhead is computed. The committee concluded that costs are being accounted for and allocated appropriately in conformance with regulations. The administrative overhead costs continue to be reasonable as a percentage of the money spent for acquisition, local share and capital grants. A motion was made, seconded and approved to accept the above statement.

**Use of unusual circumstances clause** – A motion was made, seconded and approved to accept the subcommittee’s report (attached) as presented.

**Bond sale sequence and cash management review** – A motion was made, seconded and approved to accept the subcommittee’s report (attached) as presented.

**Other committee work** – The Committee approved brief mention of other programs they have reviewed in the past year, including the It’s Our Nature communications initiative, The Intertwine, long-term land management and the Natural Areas Information System (NAIS).

**The year ahead** – Linda asked Committee members to consider the following tasks that she proposes as a work plan for next year. Comments or additions should be emailed to Marybeth Haliski.

- Continue work on performance measures (attempt to combine them to attain a program overview; develop local share criteria).
- Meet with Nature in Neighborhoods Capital Grants Review Committee to monitor progress and determine if any changes are needed.
- Follow progress of the Natural Areas Information System database.
- Follow progress of stabilization guidelines.
- Other?

The report will be presented to the Metro Council in September. Linda and Nancy will meet to revise the outline and then send it to a subcommittee for comments. Walt McMonies, Shawn Narancich and Andrew Nordby volunteered to be members of the review committee.

Kathleen indicated there were several Committee members who do not wish to be reappointed; she will finalize the roster within the next few weeks. Linda thanked everyone for their service; David Pollock thanked Linda for her leadership.

**Next meeting**

The next meeting will be in the fall. As usual, staff will send a poll for members to determine their availability.

**Adjournment**

The meeting adjourned at 10:05 a.m.

**Minutes recorded by Marybeth Haliski.**



## Metro | Memo

Date: Friday, June 24, 2011  
To: Natural Areas Oversight Committee  
From: Kathleen Brennan-Hunter  
Brian Kennedy  
Subject: Local Share Evaluation Program

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Staff was asked to design a program for evaluating the Local Share projects authorized by the 2006 Natural Areas Bond. The following is an outline for a Local Share evaluation program.

### **Objectives of the Evaluation Program**

1. Ensure that the Local Share program is meeting the objectives set in the bond measure.
2. Verify that administration of the program is efficient and understandable for partner agencies.
3. Assess the use of performance measures for Local Share projects.
4. Communicate results of the evaluation program to Oversight Committee and partner agencies.

### **Methods**

1. Distribute an anonymous, electronic survey to all Local Share participants assessing the following areas:
  - a. Ease of working with Metro staff
  - b. Requirements (documentation, process) of the program
  - c. Overall administrative effectiveness of the program
2. Select 3 completed projects in each County – projects should be a mix of acquisition and development projects
  - a. Assemble a review team of Metro staff not directly involved in the Local Share program.
  - b. Perform a site visit with the managing agency and any partners.
  - c. Interview staff with partner agencies.
  - d. Evaluate the project using the following criteria:
    - i. Scope – Does the completed project substantively match the project as originally designed?
    - ii. Budget – Was the project able to be completed for the estimated cost?
    - iii. Bond Measure – Does the completed project fit with the program objectives defined in the bond measure documents?
    - iv. Phasing – If the Local Share project is a phase of a larger project, are the future phases on track? What challenges or opportunities exist for moving the project forward?

### **Performance Measures**

1. During the initial year of the evaluation program, Metro staff will assess the feasibility of developing a common set of performance measures for Local Share projects. Staff will consider the following issues:
  - a. Measures should be based on effectiveness, not simply inputs and/or outputs.
  - b. Are there enough common traits across projects that a common set of performance measures could be developed?
  - c. Local Share agency program staff should be involved in the development of the measures.

**2006 Natural Areas Bond Fund**

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

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>Through</u>		<u>Program</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>Total</u>
Beginning Fund Balance	0	122,299,840	93,979,814	77,117,027		56,800,428	0
<b>Resources</b>							
Bond Proceeds	130,678,369	0	0	0		0	130,678,369
Interest Earnings	1,301,230	5,600,503	2,538,906	940,859		241,819	10,623,318
Other Resources	10,000	27,380	5,322,056	385,730		405,674	6,150,840
<b>Subtotal Resources</b>	<b>131,989,599</b>	<b>5,627,883</b>	<b>7,860,962</b>	<b>1,326,589</b>		<b>647,493</b>	<b>147,452,526</b>
<b>Requirements</b>							
<b>Land Acquisition</b>							
Staff Costs	117,956	206,692	425,072	465,329		472,629	1,687,678
Materials & Services	6,786	2,599	334,980	328,153		8,221	680,739
Land Costs	7,596,372	25,224,753	14,517,160	10,274,472		6,160,667	63,773,424
<b>Due Diligence</b>							
Staff Costs	0	412,029	492,589	455,774		393,156	1,753,548
Materials & Services	96,539	199,756	183,474	299,244		294,895	1,073,908
<b>Stabilization</b>							
Staff Costs	19,578	116,534	190,606	290,234		352,603	969,554
Materials & Services	294	177,441	345,330	284,874		537,523	1,345,462
<b>Local Share</b>							
Staff Costs	0	36,269	43,872	47,458		45,594	173,194
Materials & Services	0	25	188	3,500		0	3,712
Payments to Jurisdictions	400,000	4,798,366	4,316,165	5,399,109		5,344,456	20,258,096
<b>Capital Grants</b>							
Staff Costs	0	63,831	89,352	125,466		84,315	362,965
Materials & Services	0	1,400	1,363	811		62,709	66,282
Grant Payments	0	0	49,750	534,899		1,211,418	1,796,066
<b>Capital Construction</b>							
Staff Costs	0	84,071	113,921	115,064		92,278	405,334
Capital	455,072	1,513,347	2,503,147	1,841,075		810,139	7,122,781
<b>Administration</b>							
Bond Issuance Costs	295,889	0	0	0		0	295,889
Refinement							
Staff Costs	1,477	5,426	0	0		0	6,903
Materials & Services	382,030	85,882	0	0		0	467,912
Direct Admin Costs							
Staff Costs	230,815	527,644	490,722	750,704		742,923	2,742,807
Materials & Services	25,980	152,422	51,490	56,082		150,287	436,261
Indirect Admin Costs*	60,971	339,422	574,569	370,939		419,668	1,765,568
<b>Other Requirements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Subtotal Requirements</b>	<b>9,689,759</b>	<b>33,947,909</b>	<b>24,723,748</b>	<b>21,643,188</b>		<b>17,183,479</b>	<b>107,188,084</b>
Ending Fund Balance	122,299,840	93,979,814	77,117,027	56,800,428		40,264,442	40,264,442
	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>		<u>FY11 YTD</u>	<u>Total</u>
<b>Administration as % of Total Expenditures</b>	10.29%	3.27%	4.52%	5.44%		7.64%	5.33%

\* 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.

**2006 Natural Areas Bond Fund**

Summary of Resources, Requirements and Changes in Fund Balance  
(Unaudited) - Forecast Through 6/30/2011

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>Forecast</u> <u>6/30/2011</u>		<u>Program</u> <u>Total</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>Amount</u>
Beginning Fund Balance	0	122,299,840	93,979,814	77,117,027		56,800,428	0
<b>Resources</b>							
Bond Proceeds	130,678,369	0	0	0		0	130,678,369
Interest Earnings	1,301,230	5,600,503	2,538,906	940,859		263,803	10,645,301
Other Resources	10,000	27,380	5,322,056	385,730		405,674	6,150,840
<b>Subtotal Resources</b>	<b>131,989,599</b>	<b>5,627,883</b>	<b>7,860,962</b>	<b>1,326,589</b>		<b>669,477</b>	<b>147,474,510</b>
<b>Requirements</b>							
<b>Land Acquisition</b>							
Staff Costs	117,956	206,692	425,072	465,329		515,595	1,730,644
Materials & Services	6,786	2,599	334,980	328,153		8,968	681,486
Land Costs	7,596,372	25,224,753	14,517,160	10,274,472		8,360,667	65,973,424
<b>Due Diligence</b>							
Staff Costs	0	412,029	492,589	455,774		428,898	1,789,290
Materials & Services	96,539	199,756	183,474	299,244		321,703	1,100,717
<b>Stabilization</b>							
Staff Costs	19,578	116,534	190,606	290,234		384,657	1,001,609
Materials & Services	294	177,441	345,330	284,874		586,388	1,394,328
<b>Local Share</b>							
Staff Costs	0	36,269	43,872	47,458		49,739	177,339
Materials & Services	0	25	188	3,500		0	3,712
Payments to Jurisdictions	400,000	4,798,366	4,316,165	5,399,109		5,500,000	20,413,640
<b>Capital Grants</b>							
Staff Costs	0	63,831	89,352	125,466		91,980	370,630
Materials & Services	0	1,400	1,363	811		68,410	71,983
Grant Payments	0	0	49,750	534,899		1,300,000	1,884,649
<b>Capital Construction</b>							
Staff Costs	0	84,071	113,921	115,064		100,666	413,723
Capital	455,072	1,513,347	2,503,147	1,841,075		825,000	7,137,642
<b>Administration</b>							
Bond Issuance Costs	295,889	0	0	0		0	295,889
Refinement							
Staff Costs	1,477	5,426	0	0		0	6,903
Materials & Services	382,030	85,882	0	0		0	467,912
Direct Admin Costs							
Staff Costs	230,815	527,644	490,722	750,704		810,461	2,810,345
Materials & Services	25,980	152,422	51,490	56,082		163,950	449,924
Indirect Admin Costs*	60,971	339,422	574,569	370,939		418,828	1,764,729
<b>Other Requirements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Subtotal Requirements</b>	<b>9,689,759</b>	<b>33,947,909</b>	<b>24,723,748</b>	<b>21,643,188</b>		<b>19,935,912</b>	<b>109,940,516</b>
Ending Fund Balance	122,299,840	93,979,814	77,117,027	56,800,428		37,533,993	37,533,993
	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>		<u>FY11 YTD</u>	<u>Total</u>
<b>Administration as % of Total Expenditures</b>	10.29%	3.27%	4.52%	5.44%		6.99%	5.27%

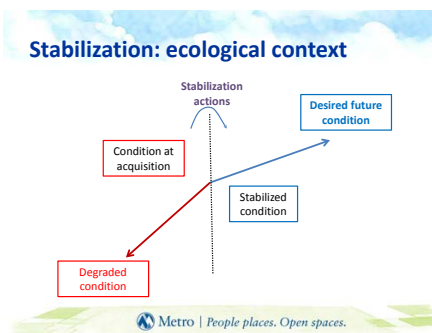
\* Indirect Administrative Expenses are those charged through internal allocation, and include services such as Human Resources, risk management, payroll, building rents, etc.

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

- Function-based stabilization includes actions taken to protect high ecological function and/or move currently degrading property conditions toward an improving trend that meets the conservation objectives for which the property was purchased.
- Function-based stabilization is based on field evidence that the targeted condition has been stabilized rather than on a time limit that is not tied to results on the ground. Once stable conditions exist on the property, the conservation values for which it was purchased can be reasonably protected through Metro's routine land management program. (Assuming no large scale changes in environmental conditions or resources.)

There are three areas of common stabilization actions.

- Property security: protects the integrity of our ownership via gates, established boundaries and signs. These types of actions can typically be accomplished in year one of stabilization.
- Property management: makes appropriate decisions about existing structures and infrastructure. These types of actions can typically be accomplished in year one or two of stabilization.
- Natural resources: protects the water quality, wildlife habitat and access to nature values for which the property was acquired. These actions focus on the ecological functions of the property including wildlife habitat, riparian area function, and erosion control. These actions may be initiated in year one because they are often required to halt ongoing degradation or to maintain the ecological function of the property. However, it is important to recognize that the systems on the land we purchase are not static (wildlife communities, plants, erosion processes) and often a minimum of a year is needed simply to identify the causes of ongoing degradation. In these cases, stabilization would not begin until year two. Any action taken to halt, control and reverse the degrading condition is part of the stabilization process. A common example would be all the actions taken to remove invasive weeds, prepare the site for native plants, and re-establish a native plant community that meets the desired conditions for the property. Establishment of a native plant community is generally a five year process, longer on harsh sites.





## Function Based Stabilization Template

Desired outcome	Function	Stabilization Benchmark	Existing Conditions	Recommended Actions	Estimated completion
Property security: boundaries are clearly marked, access is controlled	Property security		New properties may not have boundaries identified on the ground, and access points may allow unauthorized use.	Survey and mark boundary Install gates and fences Install signage Remove debris	
Property management: infrastructure (roads, culverts) and structures are maintained in stable and safe condition	Infrastructure management		Acquisitions may include structures such as warehouses, residences, barns, and wells in a range of conditions.	Determine condition of structures and infrastructure Repair or remove structures Decommission wells Identify and remove hazard trees	
Natural resources: water quality protected and providing for multiple functions (water quality and habitat)	Stream shade  Storm water filtration		Acquisitions often include riparian areas, floodplains, streams, ponds, springs, and seeps	Identify degraded conditions and threats to water quality Control erosion sources Control invasives and re-vegetate disturbed soils Stabilize unraveling banks	

## Function Based Stabilization Template

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Desired outcome			Typical Conditions	Example Actions	
<p>Natural resources:</p> <p>High functioning habitat that meets the needs of targeted wildlife and plant species (functions and features will vary by site)</p>			<p>Natural area acquisitions include wildlife and/or plant habitats, often in degraded conditions due to lack of invasive weed control, simplification of the plant community, site disturbance, and unauthorized uses.</p>	<p>Identify desired future condition and immediate threats to current or desired conditions</p> <p>Determine current wildlife use, identify critical plant communities</p> <p>Control invasive plants that threaten habitat function</p> <p>Re-vegetate disturbed areas</p> <p>Control unauthorized uses</p>	

## Function Based Stabilization/Ralston Property Benchmarks

Desired outcome	Function	Stabilization Benchmark	Recommended Actions	Estimated completion
Property security: boundaries are clearly marked, access is controlled	Property security	Boundary surveyed and marked	Survey and mark boundary	June 2012
		Gates and fences installed, repaired or removed	Install, repair, remove gates and fences	June 2012
		Signage installed	Install signage	June 2012
				June 2012
Property management: infrastructure (roads, culverts) and structures are maintained in stable and safe condition	Infrastructure management	Culvert removed	Remove culvert	Oct 2013
		90% of eroding and rutted road sections decommissioned.	Identify and decommission degraded road sections and threats to water quality	Oct 2013
		Erosion controlled by EC devices, native plants occupy 95% of disturbed site.	Install erosion control devices and native vegetation	Oct 2013
		Hazard trees felled	Identify and remove hazard trees	Oct 2013
Natural resources: mature, structurally diverse conifer and hardwood forest with historic levels of snags, down wood, vertical diversity, recruitment of mid-story and understory plants and a mosaic of native plant communities that reflect site growing conditions	Late-successional forest habitat	Invasive weeds controlled (<5% of site occupied by invasive weeds, <1% by Early Detection Rapid Response weeds)	Control erosion sources	Nov 2013
	Stream shade		Control invasive plants and re-vegetate disturbed sites	Nov 2016
	Storm water filtration	90% survival of reforested areas by year 5, with a diversity of species appropriate to the site	Control animal damage agents and weeds until re-vegetated areas are free-to-grow	Nov 2016

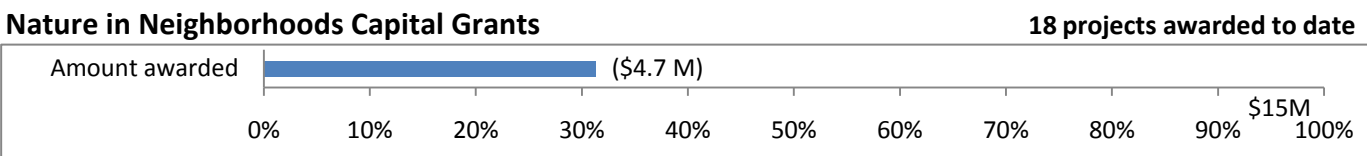
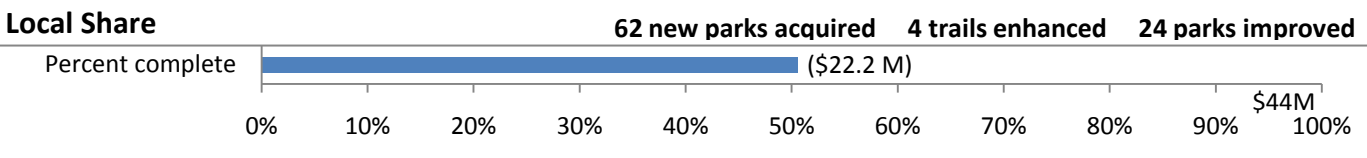
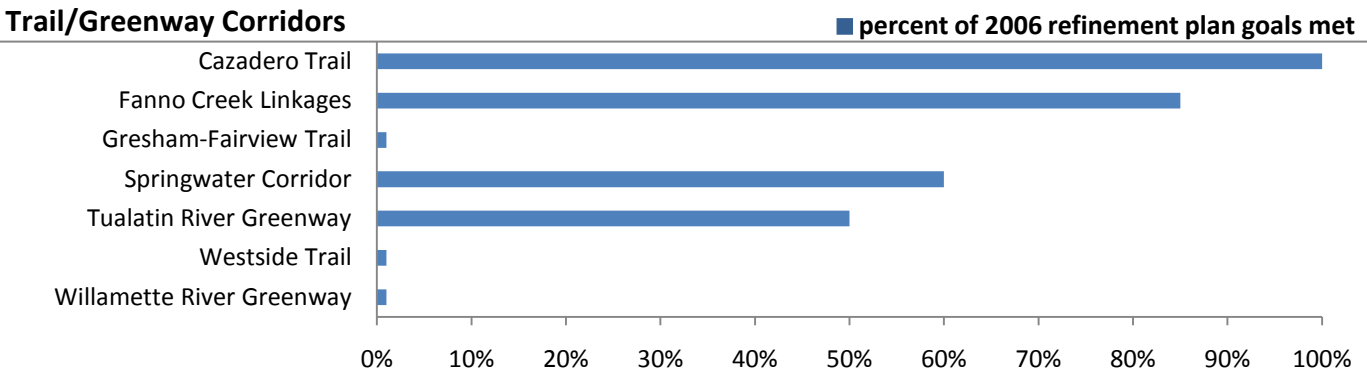
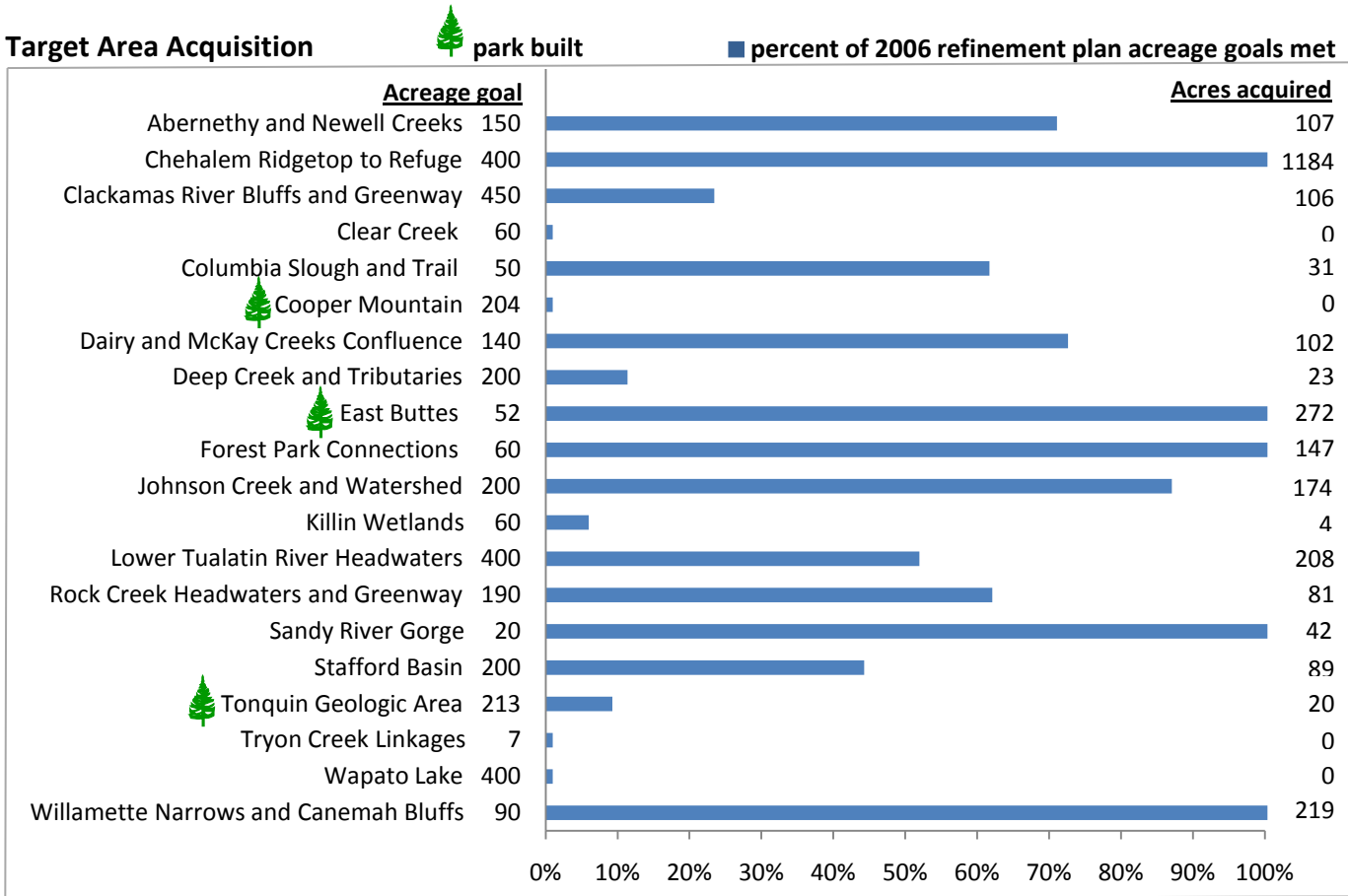
## Natural Areas Program Performance Oversight Committee

### Past recommendations and implementation status

RECOMMENDATION	IMPLEMENTATION STATUS
<p>Strengthen outreach to the public and landowners.</p>	<p>Communications staff have expanded their efforts to communicate the program’s goals and accomplishments, using a variety of techniques including social media, the press, email, tours, events, new signage and revamping the Natural Areas web site.</p> <p>Acquisition staff have contacted all priority property owners, focusing on building relationships, providing information and addressing any concerns.</p>
<p>Strengthen outreach for the capital grants program and strive for equitable geographic distribution of capital grants.</p> <p>Continue outreach and assistance to encourage applications from organizations of diverse size, type and location in the region.</p>	<p>Outreach has expanded, with greater attention given to working with local community groups to encourage and improve potential projects. As a result, the number of inquiries, letters of interest and applications has increased.</p> <p>Most projects in the first round of grants were located on the east side. Subsequent rounds have been more diversified, with a greater geographic distribution throughout the region.</p>
<p>Learn from every contact.</p>	<p>Acquisition team is giving greater attention to gathering and discussing data from both successful transactions and unsuccessful approaches.</p>
<p>Develop additional tools and metrics to help monitor and evaluate the program.</p>	<p>Staff developed performance measures for the land acquisition program, which have become an integral part of evaluating every land acquisition. Metro continues to refine the performance measures in order to use them to best advantage. Performance measures have also been created for the local share and capital grants programs.</p> <p>Metro refined the financial report to account for the three program components separately.</p> <p>A “dashboard” displaying a snapshot of progress in all areas of the program is updated regularly.</p>
<p>Think big regarding how to leverage the program with other regional efforts.</p> <p>Develop The Intertwine in ways that will encourage the ecological values of the region in addition to recreational and transportation values.</p>	<p>Metro has looked to other regions and cities to see how they have developed their regional parks, natural areas and trails programs, including Vancouver, B.C., Chicago, St. Louis, the Twin Cities in Minnesota and the East Bay Regional Park District in Oakland.</p> <p>The Intertwine was launched with the support of business leaders and parks directors from districts and municipalities in the region.</p> <p>Metro is partnering with others in the Intertwine Alliance to develop the first ever regional conservation strategy.</p>

# Natural Areas Program

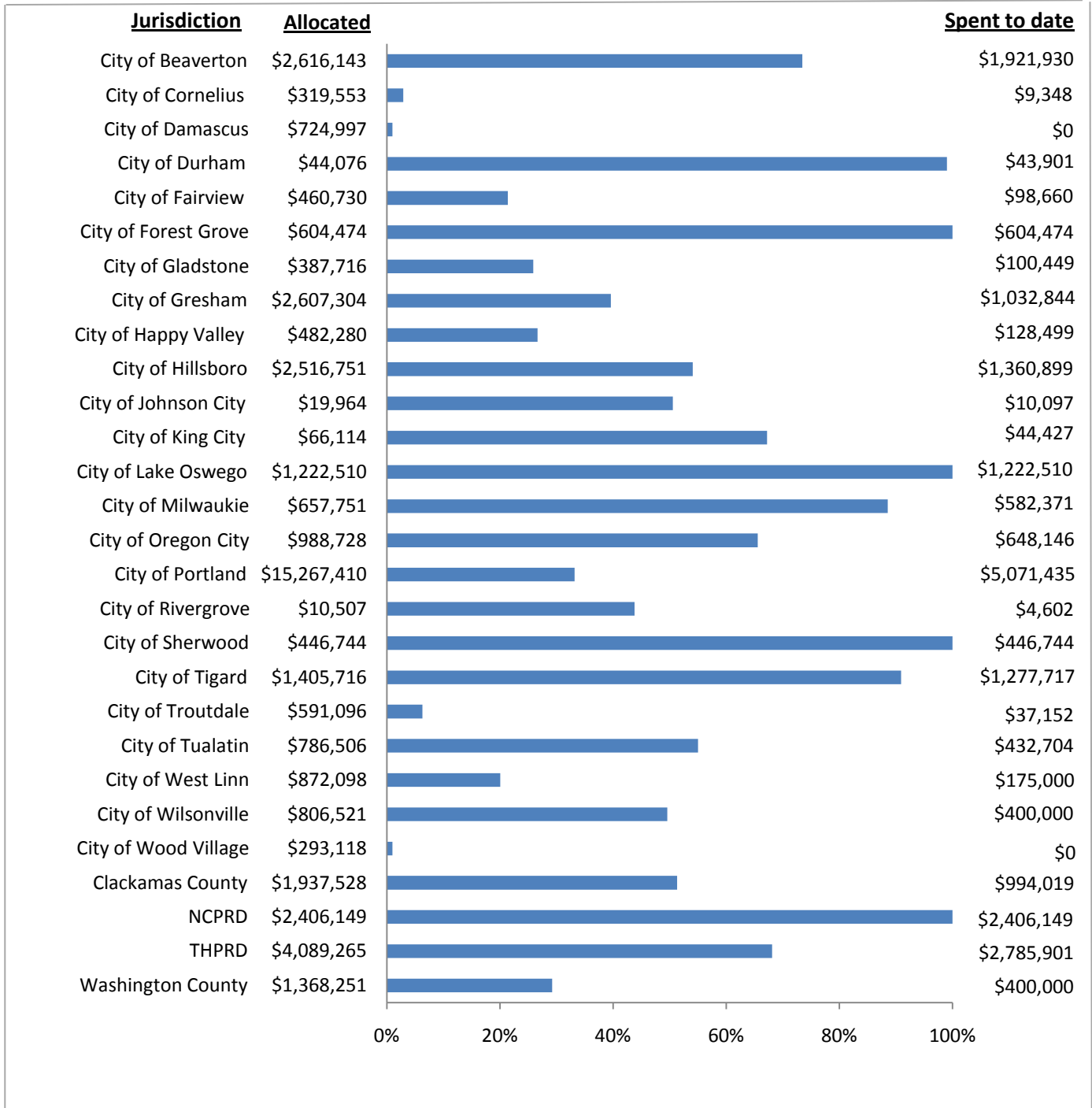
July 1, 2011



# Local Share program

June 24, 2011

■ percent of local share allocation spent



Date: April 22, 2011

To: Metro Natural Areas Program Performance Oversight Committee

From: Stabilization Subcommittee

RE: Use and Timing of Stabilization Funds

The Stabilization Subcommittee met January 7, 2011 with Metro staff to discuss the activities and timing of stabilizing purchased properties. Stabilization is generally the work necessary to secure a site to reduce hazards and prevent degradation of its intended use and value. The questions to staff were:

- Is stabilization being used to adequately address ecological site conditions, to ensure properties won't further degrade?
- Is there an opportunity to reevaluate the time frame to be more consistent with site stabilization needs?

The staff reiterated in greater detail the stabilization process shared at the last Oversight Committee meeting, and explained the transition to the Metro Operations and Maintenance team. The origin of the two year stabilization timeframe was not known and the exact definition of "stabilization" was not available at the meeting. Staff agreed to research historic documentation on the definition of stabilization; the attachments from 1995 work plan and 2006 natural areas bond eligible expenses for stabilization represent that research.

The attendees discussed the benefits and challenges of the current process, and identified some key areas to explore further, including:

1. Clarifying the definition of stabilization to reflect current practices, including fully addressing invasive species, tree stand health, revegetation and erosion to avoid further degradation and increased land banking costs over time. Some criteria for "gray areas" could be developed to further guide staff.
2. Establishing the Stabilization Plan as the primary driver of the timeframe of activities, rather than an arbitrary 2 year estimate. This would allow the process to adequately account for site scale, complexity, and the time of year the land is secured. An average of 3 years for stabilization across the entire Program is likely to be a more reasonable target.

The Program modifications above were suggested because they could:

- Allow staff to make observations throughout all seasons, to account for the full spectrum of resource management issues that don't always reveal themselves at the time of purchase.
- Allow Metro to approach the stabilization efforts at a larger scale and at the appropriate time, which has proven to promote greater efficiencies and produce superior results in ecological recovery.

- Provide for a more realistic cost accounting of the land purchase, by fully addressing site hazards and ecological degradation early. It would help to avoid having the scarce Operations and Maintenance funds subsidize the stabilization activities that are bond eligible. It will also help Metro manage the cost and uncertainty of applying for grants for actions that are commonly viewed as basic land stewardship obligations.
- Resolve the need to request administrative extensions to the 2-year timeframe, when it is known early on that more than 2 years are needed. It is possible that tasks such as signage, building demolition and fencing are more likely to fit in the 6-month to 2 year timeframe, while the ecological stabilization often takes longer.

Stabilization currently accounts for less than 1.8 % of the bond funds expended in the Program. With increasing conservation lands, and future grant funding for restoration becoming more competitive, Metro (as well as land trusts, and State and local parks providers) will need to give even greater consideration to the costs associated with these long term land management obligations. Such a management strategy begins with ensuring that the properties purchased and stabilized with bond and mitigation funds, are in the best trajectory possible for sustaining the ecological values for which they were purchased.

Attendees:

Richard Mishaga, Kathleen Brennan Hunter, Jonathan Soll, Kate Holleran, Laurie Wulf, Kendra Smith

The memo above was provided in verbal brief to the Oversight Committee at the February 2011 meeting. Since then, Metro staff worked on defining a function-based approach to stabilization, which is provided below. The guidance document clarifies the definition of stabilization, stabilization types, and its ecological context.

Adding the specific activities found in the “2006 eligible expenses for stabilization” would help link and clarify this developing guidance document. Refinement of the internal administrative procedures is still needed, in order to allow the Stabilization Plan to define the timeframe of work and expenditures (as noted in the original memo above).

Function-based stabilization

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- Function- based stabilization includes actions taken to protect high ecological function and/or move currently degrading property conditions toward an improving trend that meets the conservation objectives for which the property was purchased.
- Function- based stabilization is based on field evidence that the targeted condition has been stabilized rather than on a time limit that is not tied to results on the ground. Once stable conditions exist on the property, the conservation values for which it was

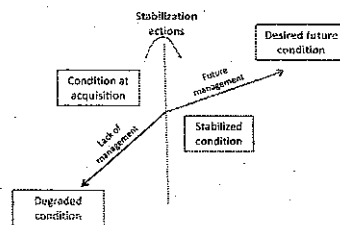


purchased can be reasonably protected through Metro's routine land management program. (Assuming no large scale changes in environmental conditions or resources.)

There are three areas of common stabilization actions.

- Property security: protects the integrity of our ownership via gates, established boundaries and signs. These types of actions can typically be accomplished in year one of stabilization.
- Property management: makes appropriate decisions about existing structures and infrastructure. These types of actions can typically be accomplished in year one or two of stabilization.
- Natural resources: protects the water quality, wildlife habitat and access to nature values for which the property was acquired. These actions focus on the ecological functions of the property including wildlife habitat, riparian area function, and erosion control. These actions may be initiated in year one because they are often required to halt ongoing degradation or to maintain the ecological function of the property. However, it is important to recognize that the systems on the land we purchase are not static (wildlife communities, plants, erosion processes) and often a minimum of a year is needed simply to identify the causes of ongoing degradation. In these cases, stabilization would not begin until year two. Any action taken to halt, control and reverse the degrading condition is part of the stabilization process. A common example would be all the actions taken to remove invasive weeds, prepare the site for native plants, and re-establish a native plant community that meets the desired conditions for the property. Establishment of a native plant community is generally a five year process, longer on harsh sites.

#### Stabilization: ecological context



Metro | People, places, Open spaces.

### *2006 Natural Areas Bond – Eligible Expenditures – Stabilization*

Bond Fund Eligible – must be associated with the acquisition of the property and putting the property into its intended use. Refer to Stabilization Reports by property for anticipated stabilization needs, found at:  
M:\rpg\parks\projects\Stabilization Reports 2006 Bond Properties

- Prior to acquisition, evaluation of property to provide information to negotiators, legal staff and managers to help make a decision whether to buy the property
- Surveys
- Demolition of undesired structures
- Post signs
- Removal or installation of fences and gates to control access
- Initial efforts to remove invasive plant species
- Initial efforts to install native plant materials
- Remove hazards
- Initial improvements to house/building in anticipation of leasing the property (to bring up to a “rentable” condition)
- Documentation of baseline / inventory information
- Baseline protocols and documentation as required to establish conservation easement

### Not Bond Fund Eligible

- Maintenance mowing, cutting or spraying of invasive plants
- Activity after 12-18 months of purchase (could be longer depending on seasons)
- Monitoring activities
- Developing long-term maintenance plans

## STABILIZATION

### Definition:

"*Stabilization*" consists of the initial actions exercised after purchase of property required to stabilize and prevent degradation of the property and secure the site to minimize health and safety risks.

Stabilization actions will generally be one-time actions only. (Maintenance of "*stabilized*" properties is addressed in the "*land banking*" section.) Some stabilization measures, however, will continue during the land-banking period, if the initial stabilization assessment for the property purchased indicates that continued actions are necessary to prevent degradation or to avoid increased land-banking costs. Examples of such long-term stabilization measures include, but are not limited to, vegetation of the property or reforestation.

### Components:

After closure on acquisition sites, there will be immediate *stabilization* needs as determined by Metro staff or its agents and contractors. These needs are highly dependent on the property condition, parcel size and location, and existing land uses, both on the subject property and adjoining properties. Examples of these needs include:

- access control such as installation of fencing and gates
- installation of signs
- removal of trash and illegal dump sites
- hazard mitigation needs (i.e., underground tanks removal, asbestos abatement)
- demolition of derelict structures such as houses and utility buildings
- control of nuisances that pose increasing *land banking* costs if not initially addressed (i.e., pest plant control, erosion control)
- outline site *land banking* needs that include property management roles and responsibilities (i.e., recommend rental/lease agreements, establish caretaker role) and an outline of resources monitoring needs.
- reforestation as necessary to comply with the Oregon Forest Practices Act
- obtain liability insurance for structures or improvements

Process:

- *Stabilization* needs will be assessed by stabilization staff or its agents/contractors during a site visit as part of *due diligence* prior to closure on the property purchase.
- An outline of a *stabilization* and *land banking* work plan for each site will be developed and included in the property purchase file.
- A checklist of potential stabilization issues is included in the Appendix, entitled "Stabilization Checklist." This checklist will be reviewed and initialed by the stabilization staff within 30 days after closing.
- *Stabilization* needs identified in the Stabilization Checklist will be addressed by staff as soon as possible after closing, and in no event not later than 60 days after closing, utilizing contractual services or Metro operations and maintenance staff, whichever is cost effective and timely. If stabilization responsibility for a property has been accepted by another local government pursuant to an Intergovernmental Agreement, the Stabilization Checklist shall be forwarded to the local government within 60 days of closing.
- Upon completion of the items identified in the Stabilization Checklist, the property file will be transferred from the Open Spaces Acquisition Division to the Operations and Management Division for landbanking.
- A list of *land banking* needs will be forwarded to Regional Parks and Greenspaces Maintenance and Operations Division or other appropriate staff.

Cost Estimates:

*Stabilization* costs will vary from site to site, depending on site condition at the time of purchase or provisions of the purchase agreement. All *stabilization* costs will be covered by bond funds.

**METRO  
NATURAL AREAS PROGRAM PERFORMANCE OVERSIGHT COMMITTEE  
Unusual Circumstances Sub-Committee**

**June 17, 2011**

Metro has adopted policies for its acquisition of natural areas. When Metro staff deviate from those policies, Metro staff must present the reason for the deviation, called "unusual circumstances," to the Metro Council for approval. The most frequent "unusual circumstances" request is to get approval to pay more than the appraised value for an acquisition, or to provide other compensation to the seller in addition to cash, but requests for other reasons sometimes occur. Metro has on occasion revised its policies (for example, to allow for acquiring trails easements without nearly every acquisition including an unusual circumstance).

A subcommittee of the Oversight Committee reviewed recent acquisitions made under "unusual circumstances" and other acquisitions made without unusual circumstances. The committee concluded that:

- (a) Metro staff is using the unusual circumstances mechanism appropriately,
- (b) the "unusual circumstances" purchases are being reasonably explained,
- (c) there are adequate checks and balances in place to ensure that appropriate use of the "unusual circumstances" clause, including review and approval by internal legal counsel when the clause should or should not be invoked, and
- (d) the current policies strike a reasonable balance between acquisitions that can be approved at the staff level and those that must be submitted to the Council for approval.

The subcommittee recommends that the Oversight Committee continue to review "unusual circumstances" purchases annually, as a package, to confirm that these conclusions remain correct.

## Natural Area Bond Oversight Committee Sub-Committee Report

TO: Linda Craig, Chair  
Natural Area Bond Oversight Committee

FROM: Autumn Rudisel, Committee Member

DATED: June 9, 2011

RE: Bond Sale Sequence and Cash Management Review

### Purpose

Review the rate of expenditure of bond funds to determine when the next sequence of bonding is needed to continue the program's mission. Additionally, review practices and procedures for cash flow needs, liquidity requirements (following investment criteria), and other factors on the bond funds held in trust until they are expended.

### Review

Telephone interviews were conducted with Kathleen Brennan-Hunter, Natural Areas Program Director, and Brian Kennedy, Metro Finance Manager, to determine the responsible parties within Metro and the adequacy of bond funding and cash handling and investment practices and procedures. Both of these areas are the primary responsibility of Mr. Kennedy. He does, however, work with Ms. Brennan-Hunter on future bond needs based upon historical and projected acquisitions trends.

Mr. Kennedy outlined the cash management and investment criteria used by Metro.. Cash management and investment criteria procedures are established by the State of Oregon and no deviations are allowed.

Based upon historical, along with future projected acquisitions, Mr. Kennedy is anticipating that additional bonding will be necessary by Fall of 2012. The amount needed is approximately \$51,552,500. This amount should be able to sustain the program's mission for up to three years when another like funding amount would be necessary. The amounts are estimates and could be adjusted as the real estate market continues to fluctuate due to the economic climate. Total estimated projected bond funds needed for 2012-13 fiscal year through 2017-18 fiscal years are \$103,105,000.

### Recommendations

No concerns noted for cash management and cash investment practices and Metro should continue with its normal practices and procedures. Recommend following guidelines outlined by Mr. Kennedy for preparing to issue bonds either in one installment (2012-13 fiscal year) or two installments (2012-13 and 2015-16 fiscal years) depending upon bond market conditions to obtain the best rate and terms for the program.

Respectfully submitted,

Autumn Rudisel