

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING A POLICY FOR)	RESOLUTION NO. 97-2508
THE USE OF THE BALANCE OF FUNDS TRANSFERRED)	
FROM MULTNOMAH COUNTY IN THE FINAL)	Introduced by: Charles Ciecko
CONSOLIDATION AGREEMENT PREVIOUSLY KNOWN)	Karen Feher
AS THE NATURAL AREA FUND.)	

WHEREAS, Metro and Multnomah County executed an agreement on March 21, 1996 formally known as "Phase II Intergovernmental Agreement Regarding Transfer of Ownership of Regional Parks, Natural Areas, Golf Courses, Cemeteries and Trade/Spectator Facilities Presently Owned by Multnomah County to Metro"; and

WHEREAS, Section 3; "D" of that agreement details the terms, conditions and authorized uses of up to \$1.2 million transferred to Metro by Multnomah County from its "Natural Areas Acquisition and Protection Fund"; and

WHEREAS, per Section 3; "D" of that agreement, the actual amount transferred to Metro on or about July 1, 1996 was approximately \$1,040,000; and

WHEREAS, as part of FY 96-97 budget process, the Metro Council directed the Regional Parks & Greenspaces Department and Administrative Services Department to develop and propose "policies to govern the use of this money and develop a strategy to add to this account consistent with the intent of this budget note"; and

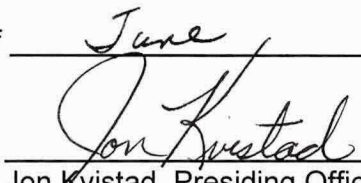
WHEREAS, said policy has been developed and proposed for Council consideration; and

WHEREAS, the Metro Council finds the proposed policy consistent with the terms and provisions of the agreement with Multnomah County and the directive contained in the Council budget note;

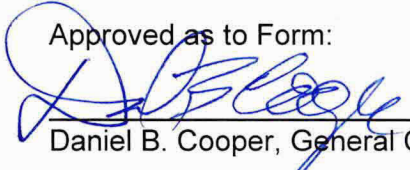
BE IT RESOLVED,

That the Metro Council adopts the policy attached hereto as "Exhibit A" and directs the Executive Officer to implement the provisions contained therein.

ADOPTED by Metro Council this 12th day of June, 1997.



 Jon Kvistad, Presiding Officer

Approved as to Form:


 Daniel B. Cooper, General Counsel

Exhibit "A"

- 1) The principal and all interest accruing therefrom shall be placed in a separate sub-account of the Parks Regional Fund to be known as "The Renewal, Replacement and Capital Improvement Account".
- 2) The purposes and restrictions related to the expenditure of funds from The Renewal, Replacement and Capital Improvement Sub-Account shall be as follows:
 - a) Interest shall be used first to fund a "limited duration".5 FTE for the purpose of administering and implementing Multnomah County local share projects as identified in Measure 26-26.
 - b) Available interest after addressing item "a" may be used for Regional Parks and Greenspaces renewal and replacement purposes subject to Council appropriation through the annual budget process and in accordance with the adopted Capital Improvement Plan.
 - c) From time to time the Council may elect to appropriate a portion of the principal from the sub-account for the purpose of designing and/or implementing capital improvements in former Multnomah County parks, recreation facilities or cemeteries if such capital improvements have the capacity to provide sufficient cash flow to replace the principal within a period specified by the Council.
 - d) From time to time the Council may wish to appropriate a portion of the principal from the sub-account for the purpose of acquiring recreation assets in Multnomah County if such acquisitions have the capacity to provide sufficient cash flow to replace the principal within a period specified by the Council.
- 3) Except for the sale of grave sites, proceeds from the sale of full or partial interest (i.e. fee simple title, easements or rights of way) in former Multnomah County parks, recreation facilities or cemeteries occurring after the effective date of this resolution shall be placed in this account and administered in a manner consistent with the provisions of this policy.

Staff Report

CONSIDERATION OF RESOLUTION NO. 97-2508 FOR THE PURPOSE OF ESTABLISHING A POLICY FOR THE USE OF THE BALANCE OF FUNDS TRANSFERRED FROM MULTNOMAH COUNTY IN THE FINAL CONSOLIDATION AGREEMENT PREVIOUSLY KNOWN AS THE NATURAL AREA FUND.

Date: May 2, 1997

Presented by: Charles Ciecko
Karen Feher

PROPOSED ACTION

Resolution No. 97-2508 requests that the Metro Council approve an action to establish a policy for the use of the balance of funds transferred from Multnomah County (previously known as the Natural Area Acquisition and Protection Fund) in the final consolidation agreement.

BACKGROUND AND ANALYSIS

These funds have restrictions related to their use resulting from two actions. The first set of restrictions on these funds is from Section 3; "D" of the "Phase II Intergovernmental Agreement Regarding Transfer of Ownership of Regional Parks, Natural Areas, Golf Courses, Cemeteries and Trade/Spectator Facilities Presently Owned by Multnomah County to Metro" that was executed on March 21, 1996, which states:

"D. Natural Areas Acquisition and Protection Fund

On or before July 1, 1996, COUNTY shall transfer to METRO \$1.2 million from the COUNTY's Natural Areas Acquisition and Protection Fund. METRO shall utilize the funds transferred from COUNTY for the sole purpose of maintaining, improving or operating parks and cemetery facilities transferred to METRO by COUNTY or acquiring additional park property in Multnomah County.

If, prior to July 1, 1996, METRO completes the acquisition of approximately 20 acres of property adjacent to the Bybee House and Howell Park on Sauvies Island, the purchase price and closing costs shall be paid by Multnomah County and deducted from the \$1.2 million to be transferred to METRO. METRO may take title to such property in its own name notwithstanding any provision of the Phase I Agreement."

The Bybee Howell Park property was purchased effective June 30, 1996 reducing the balance transferred to approximately \$1,040,000.

The other restriction on these funds stems from a budget note approved by Council during the Fiscal Year 1996-97 budget approval process and reads as follows:

Regional Parks and Greenspaces
Natural Areas Account
Budget Note

“The former Multnomah County Natural Areas fund to be transferred to Metro on July 1, 1996 shall be reserved for capital improvements and capital maintenance of the Metro Regional Parks system, consistent with the requirements of the Intergovernmental Agreement initiating the transfer with the exception of funds previously budgeted in FY 95-96 and approved carryovers to FY 1996-97 of the following projects: Oxbow Master Plan, Forest Park Old Growth Master Plan, Howell Park Master Plan and Blue Lake Landscape materials. The balance of this money after expenditure of funds for the above projects shall form the nucleus of a capital reserve and renewal and replacement account for the Parks system. The Metro Regional Parks and Greenspaces and the Department of Administrative Services shall develop policies to govern the use of this money, and develop a strategy to add to this account consistent with the intent of this budget note.”

The IGA restricted use of these funds (i.e. principal) to purposes related to the operation, maintenance or improvement of former Multnomah County park and cemetery properties or the acquisition of additional park property in Multnomah County.

The budget note further restricted use of these funds to capital maintenance and improvement purposes in a manner “consistent with the requirements of the IGA”. In compliance with Council directive, Regional Parks and Greenspaces and Administrative Services have prepared a resolution for Council consideration which includes the following elements:

- 1) Creation of a separate sub-account in the “Parks Regional Fund” to be known as the “Renewal, Replacement and Capital Improvement Account”
- 2) Establishes purposes and restrictions related to the expenditure of funds (both interest and principal) from the new account
- 3) Dedicates proceeds from the sale of full or partial interest in former Multnomah County parks, recreation facilities or cemeteries to this new account

Interest from the initial dedication of the former Multnomah County funds is estimated at 5% annually or \$52,000 per year.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends passage of Resolution No. 97-2508.