

 **Metro | Agenda**

Meeting: Natural Areas Program Performance Oversight Committee
Date: Tuesday, June 9, 2015
Time: 9 to 11:30 a.m.
Location: Metro Regional Center, Council Chamber

8:45 **COFFEE AND PASTRIES**

9:00 **WELCOME** Drake Butsch

9:05 **PROGRAM UPDATES** Kathleen Brennan-Hunter
Acquisition, local share and capital grants
Additional bond investments
Parks and Natural Areas System Plan
Financial report Brian Kennedy
Stabilization

9:30 **CAPITAL GRANTS PROGRAM UPDATE** Heather Nelson Kent
Mary Rose Navarro

10:00 **UNUSUAL CIRCUMSTANCES** Kathleen Brennan-Hunter

10:15 **FY 2015-16 BUDGET, STAFF CAPACITY, COST ALLOCATION** Brian Kennedy

10:45 **ANNUAL REPORT** Drake Butsch

11:30 **ADJOURN**

2015 WORK PLAN

March 2015

Parks and natural areas levy
Parks and natural areas system plan
Local share progress report
Acquisition program surplus lands

June 2015

Capital grants program update/2015 review cycle
Parks and Natural Areas System Plan
Unusual circumstances
Budget, staff capacity, cost allocation policy
Annual report

September 2015

Target area review and analysis
Performance measures for new bond-funded capital investments
Stabilization costs progress report
Parks and Natural Areas System Plan

December 2015

Trails accomplishments/performance measures
Parks and Natural Areas System Plan
Oversight Committee Work Plan 2016



Natural Areas Program Performance Oversight Committee

June 9, 2015

Committee members in attendance: Drake Butsch (committee chair), Bill Drew, Autumn Hickman, Walt McMonies, Rick Mishaga, Peter Mohr, Norman Penner

Committee members excused: Dean Alterman, Shawn Narancich, Andrew Nordby, Kendra Smith

Metro: Kathleen Brennan-Hunter, Barbara Edwardson, Brian Kennedy, Mary Rose Navarro, Heather Nelson Kent

Welcome

Committee chair Drake Butsch welcomed the committee. He announced that Metro is hoping to recruit several new committee members and suggestions should be forwarded to him or Heather Nelson Kent.

Program updates

Kathleen Brennan-Hunter updated the committee on Metro's upcoming reorganization. A new department, Parks and Nature, has been created, and will combine all parks and natural areas staff. The change is effective July 1. Kathleen will continue in her role as interim department director until a permanent director is hired; the position is expected to be posted by the end of June.

Acquisition

Kathleen reported that the number of acquisitions has increased in the past few months. Approximately one dozen properties are currently under contract, and four transactions have closed since the last committee meeting. The new acquisitions include property in Oregon City adjacent to Metro's existing Newell Creek Canyon holdings, which will provide additional access points to the site; property in the Chehalem Ridge target area, adding to the connectivity of the site; property previously owned by Trust for Public Land in the Tonquin Geologic target area near Metro's Coffee Lake Creek site; and a 246-acre property in the Wapato Lake target area near the confluence of Gales Creek and the Tualatin River that will increase opportunities for long term restoration in the area.

Local Share

The local share program is winding down; 93 percent of the funds have been expended to date.

Additional bond investments

As mentioned at the last meeting, a small amount of bond funds have been dedicated to advance projects noted in the target area refinement plans. Most projects are still in the planning phase.

Willamette Falls Legacy Project

Gov. Kate Brown recently toured the Willamette Falls site and announced the selection of the design team for the Riverwalk project. The Riverwalk will not be just a stand-alone walkway, but is expected to support and link to future private development at the site. The committee requested additional information about the use of bond funds for this project; Kathleen will report further at the next meeting.

Parks and Natural Areas System Plan

Kathleen said staff are continuing to make progress on the system plan; Brian Kennedy is currently the project manager. The team has recently engaged in conversations with the Metro Council to receive guidance for the foundation of the plan. A final document will be presented to the Council in March 2016.

Financial report

Brian Kennedy presented the financial report, and noted the significant uptick in acquisition activity. Overall spending is consistent with expectations. Project costs related to the additional bond investments will be captured in the capital construction category. Administrative costs are at 14.7 percent, down from 20 percent in February. Administrative costs for the program to date are at 7.5 percent, still well below the 10 percent threshold.

Stabilization report

Stabilization activities have begun on several new properties. Brian noted that in a few cases, no end date is listed because stabilization plans have not yet been completed. Stabilization plans are reviewed by the science and land managers, as well as Brian and Kathleen. Finance department staff also review work and purchase orders and flag any inconsistencies. The Terramet database is now linked to on-the-ground action for restoration and maintenance work, so staff will be better able to estimate costs in the future. Stabilization costs will be reviewed at the September 2015 meeting.

Capital Grants program update

Heather Nelson Kent and Mary Rose Navarro updated the committee on the most recent capital grant review cycle. There have been seven funding cycles to date, totaling \$11.4 million. An additional seven projects are currently under consideration by the Metro Council. The committee recently reviewed the project criteria stated in the bond, compared it to the projects that have been awarded to date, and determined specific components that make a project stand out. A summer intern will interview grant recipients to determine the program's impacts and accountability measures including enhanced ecological functions and how the program has been catalytic to leverage other funding. Discussion was held about staff transition as both the local share and capital grants programs wind down. Brian noted the programs share just one FTE, and there will still be a significant amount of work managing capital grant contracts as grantees have several years to complete their projects.

Unusual circumstances and revised Implementation Work Plan

Acquisition supervisor Barbara Edwardson reviewed the unusual circumstances provision, and said only three transactions were presented to the Metro Council for approval in the last year. All were for valuation issues. She noted there have been fewer unusual circumstances since making modifications to the Implementation Work Plan last year, and reviewed how the revisions have impacted the acquisition program. Overall, the work plan has allowed staff more flexibility, creating greater efficiencies.

FY 2015-16 budget, staff capacity and cost allocation

Brian reported that the FY 2015/16 budget has been approved by the Metro Council, and is scheduled to be adopted at the end of June. Brian distributed a high-level budget for the bond fund and explained the various terms:

Personal Services: A major expenditure category that includes salaries and benefits for full-time, part-time, temporary and seasonal employees.

Materials and Services: A major expenditure category that includes contractual and other services, materials, supplies and other charges.

Capital Outlay: A major expenditure category that includes appropriations for the purchase or improvement of land and buildings, and for furniture and equipment with a cost of more than \$5,000 and a useful life of one or more years.

Transfers – Indirect Costs: Central overhead costs necessary for the operation of a department or fund, but not directly attributable to a specific department or fund. These costs are computed and charged to the appropriate department or fund based on a cost allocation plan.

Transfers – Direct Costs: Charges to a department for specific services provided by another Metro department.

Brian also included a chart showing staffing levels for the past four years. Recent additions include an acquisition supervisor and additional parks planning and communications staff to support the additional bond investment projects.

Annual report

The committee briefly reviewed recommendations from the 2014 annual report. A subcommittee (Kendra Smith, Rick Mishaga, Bill Drew and Drake Butsch) was created to review past recommendations and oversee writing of the report.

Next meeting

The next meeting will be in September 2015. Staff will send a poll with potential dates for both the September and December 2015 meetings.

Adjournment

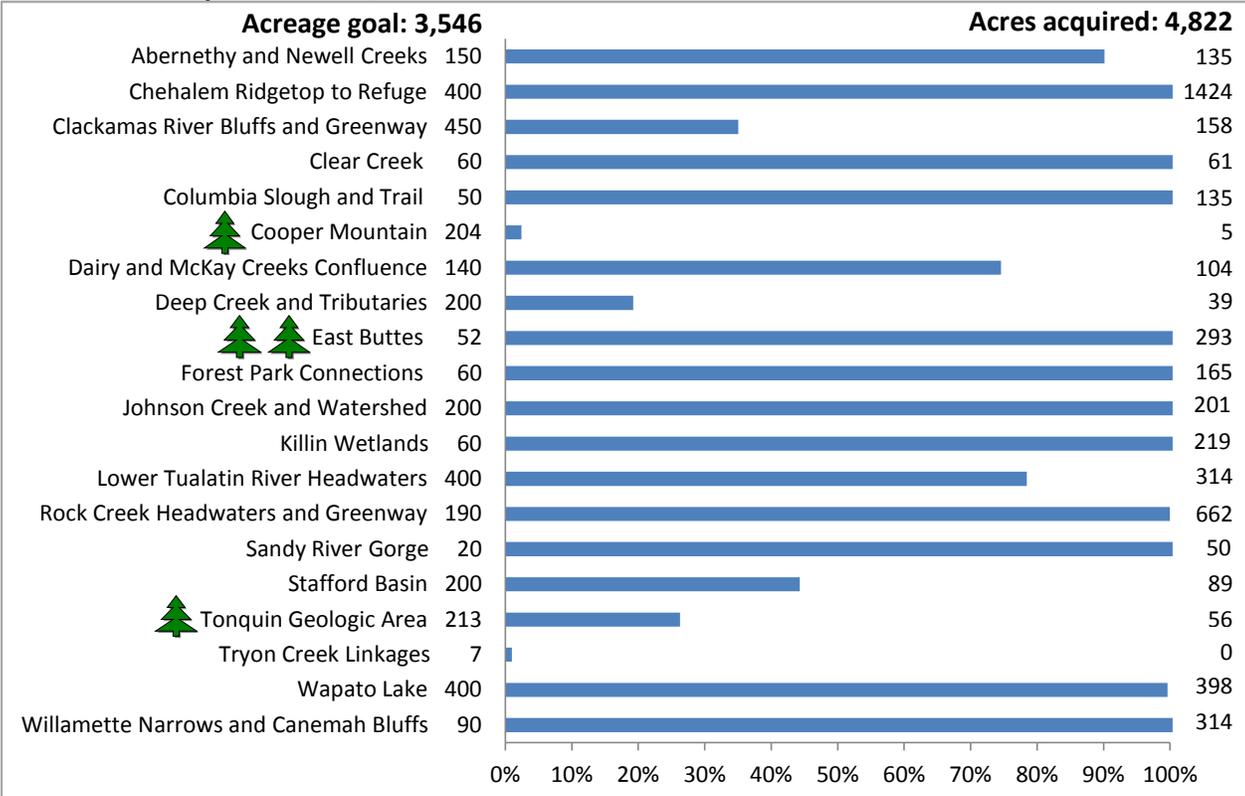
The meeting adjourned at 10:55 a.m.

Minutes recorded by Marybeth Haliski

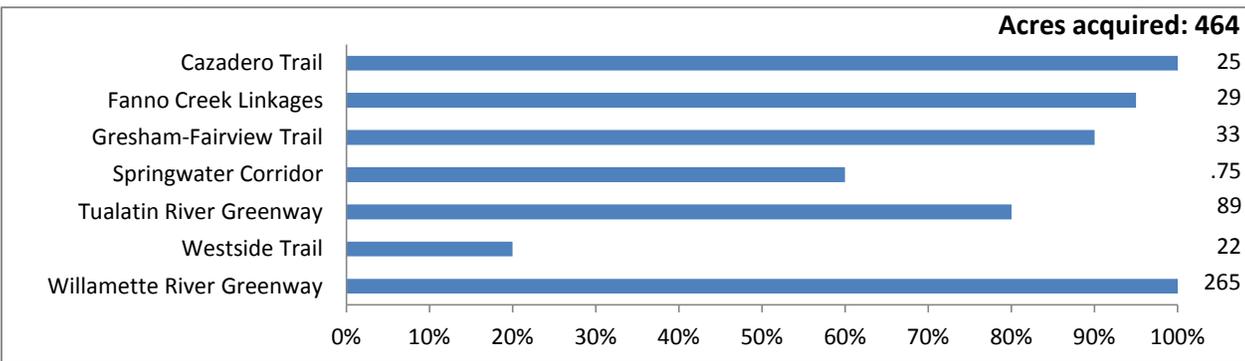
Natural Areas Program

June 9, 2015

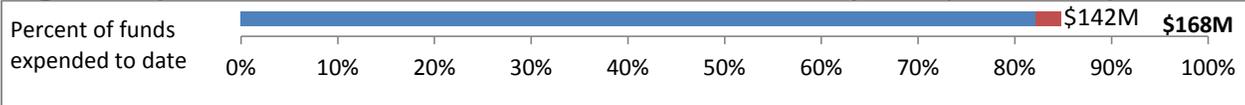
Natural area acquisition  **park built**  **percent of 2006 refinement plan acreage goals met or exceeded**



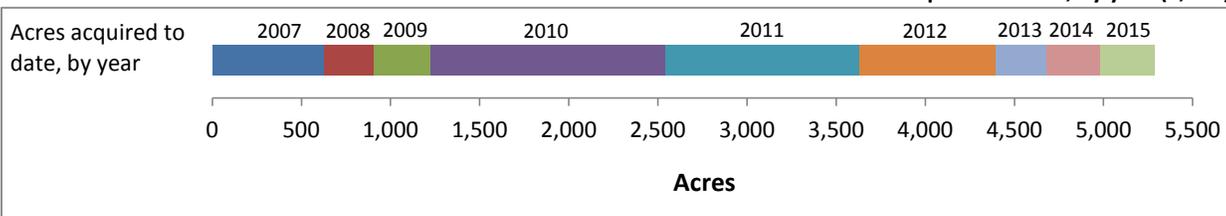
Trail/greenway corridors  **percent of 2006 refinement plan goals met**



Regional acquisition  **regional acquisition funds spent to date**

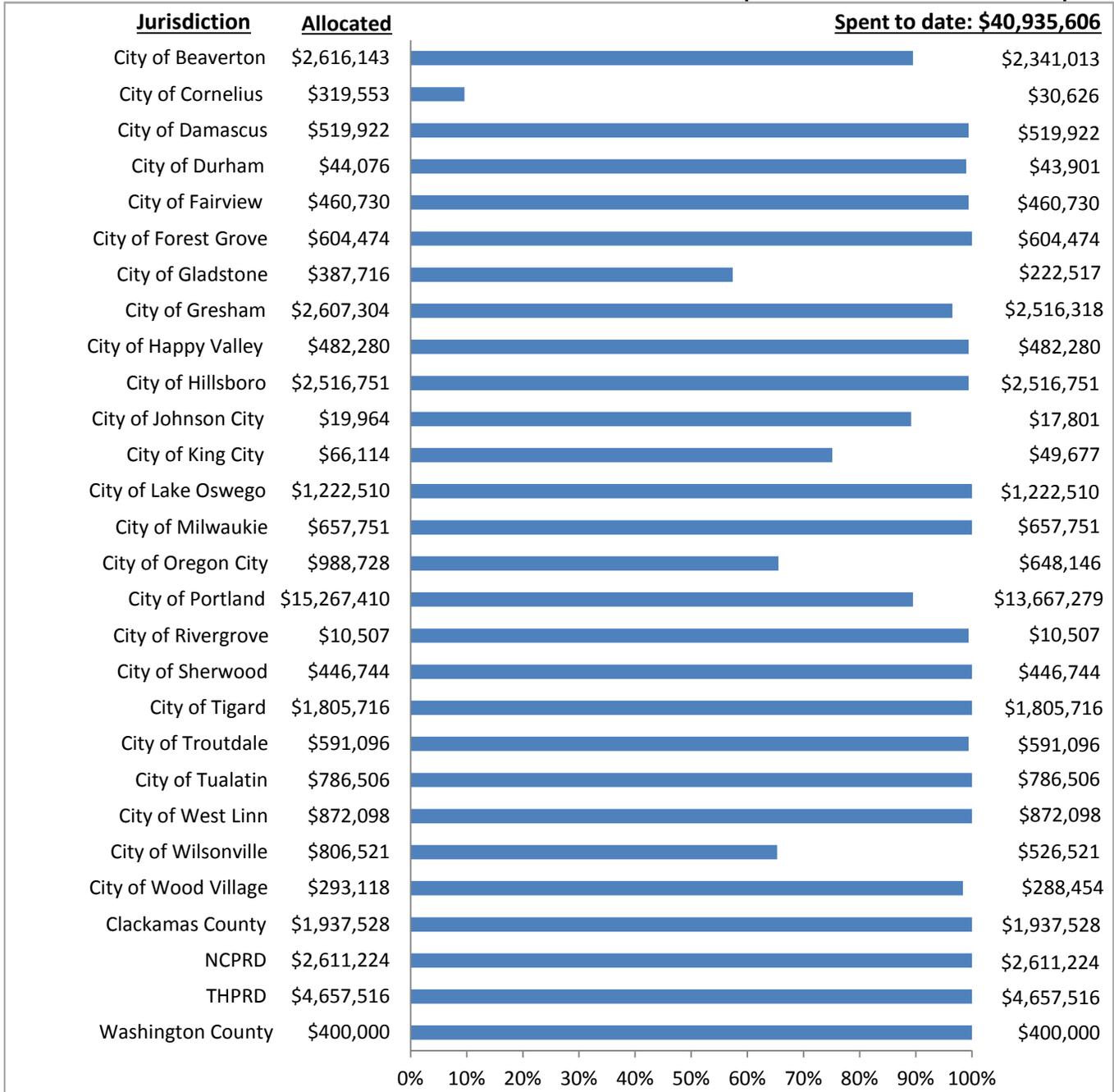


Regional acquisition **acres acquired to date, by year (5,286)**



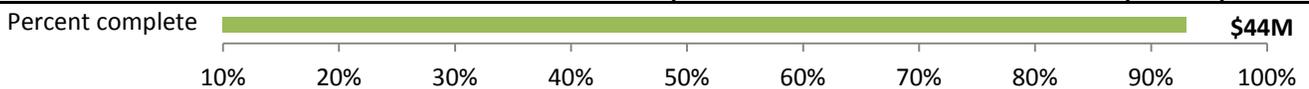
Local share

■ percent of local share allocation spent



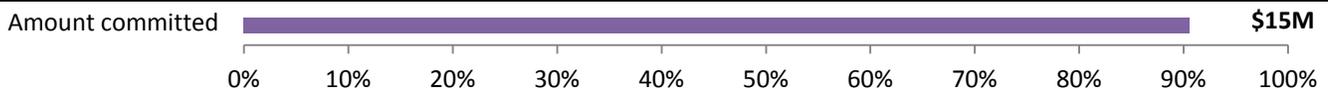
Local share

105 acquisitions 17 trails enhanced 49 parks improved



Nature in Neighborhoods capital grants

40 projects awarded



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>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Through</u>		<u>Program</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>4/30/2015</u>		<u>Total</u>
									<u>FTE</u>	<u>Amount</u>	<u>Amount</u>
Beginning Fund Balance	0	122,299,840	93,979,814	77,117,027	56,792,607	36,469,224	98,783,002	78,247,452		65,755,472	0
Resources											
Bond Proceeds	130,678,369	0	0	0	0	90,015,894	0	0		0	220,694,263
Interest Earnings	1,301,230	5,600,503	2,538,906	940,859	322,830	139,417	180,451	551,006		325,410	11,900,611
Other Resources	10,000	27,380	5,322,056	385,730	414,009	964,004	882,461	3,038,628		0	11,044,267
Subtotal Resources	131,989,599	5,627,883	7,860,962	1,326,589	736,839	91,119,314	1,062,911	3,589,634		325,410	243,639,141
Requirements											
Land Acquisition											
Staff Costs	117,956	206,692	425,072	465,329	512,240	658,515	514,455	625,344	7.0	509,541	4,035,144
Materials & Services	6,786	2,599	334,980	328,153	8,506	3,907	31,450	4,037		164	720,583
Land Costs	7,596,372	25,224,753	14,517,160	10,282,293	8,416,742	14,616,212	7,802,932	5,500,237		5,853,495	99,810,195
Due Diligence											
Staff Costs	0	412,029	492,589	455,774	430,237	464,571	438,935	498,527	5.0	443,378	3,636,039
Materials & Services	96,539	199,756	183,474	299,244	315,358	412,112	699,814	246,354		123,988	2,576,639
Stabilization											
Staff Costs	19,578	116,534	190,606	290,234	388,887	430,992	441,095	431,361	3.9	418,568	2,727,855
Materials & Services	294	177,441	345,330	284,874	643,569	681,557	1,251,803	1,344,431		909,995	5,639,294
Local Share											
Staff Costs	0	36,269	43,872	47,458	49,759	56,434	57,341	59,700	0.5	52,309	403,143
Materials & Services	0	25	188	3,500	0	0	1,488	0		0	5,201
Payments to Jurisdictions	400,000	4,798,366	4,316,165	5,399,109	6,312,927	8,563,477	6,230,760	3,629,160		585,353	40,235,316
Capital Grants											
Staff Costs	0	63,831	89,352	125,466	91,744	111,876	94,896	92,017	0.8	80,455	749,639
Materials & Services	0	1,400	1,363	811	114	180	25	0		2,004	5,897
Grant Payments	0	0	49,750	534,899	1,287,039	195,282	1,510,360	747,233		494,418	4,818,981
Capital Construction											
Staff Costs	0	84,071	113,921	115,064	100,643	115,884	142,649	128,057	3.0	32,330	832,619
Capital	455,072	1,513,347	2,503,147	1,841,075	917,019	(9,098)	301,099	808,810		978	8,331,450
Administration											
Bond Issuance Costs	295,889	0	0	0	0	325,046	43	0		0	620,978
Refinement											
Staff Costs	1,477	5,426	0	0	0	0	0	0		0	6,903
Materials & Services	382,030	85,882	0	0	0	0	0	0		0	467,912
Direct Admin Costs											
Staff Costs	230,815	527,644	490,722	750,704	868,127	677,019	694,589	739,338	4.1	439,184	5,418,141
Materials & Services	25,980	152,422	51,490	56,082	263,857	890,303	533,379	399,297		138,843	2,511,653
Indirect Admin Costs*	60,971	339,422	574,569	370,939	453,567	611,267	851,346	827,713		1,059,465	5,149,259
Other Requirements	0	0	0	0	0	0	0	0			0
Subtotal Requirements	9,689,759	33,947,909	24,723,748	21,651,009	21,060,337	28,805,536	21,598,461	16,081,614		11,144,468	188,702,842
Ending Fund Balance	122,299,840	93,979,814	77,117,027	56,792,607	36,469,109	98,783,002	78,247,452	65,755,472		54,936,413	54,936,413
	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>		<u>FY13 YTD</u>	<u>Total</u>
Administration as % of Total Expenditures	10.29%	3.27%	4.52%	5.44%	7.53%	8.69%	9.63%	12.23%		14.69%	7.51%

Natural Areas Stabilization Report

Through 4/30/2015

		Acres	Close Date	Stabilization End Date	Phase	Prior Years	YTD
Stabilization Administration							
Personnel Services						1,438,292	411,855
Materials and Services						75,809	21,736
						1,514,101	433,591
G02038	Happy Valley Homes	14.7	7/26/2011	7/26/2014	Stabilization	4,313	-
G02097	Miller	20.99	6/30/2008	6/30/2010	Complete	19,042	-
G02110	Cascade Pacific Council	68.3	5/5/2011	5/5/2016	Stabilization	74,418	1,190
G02125	Darby Ridge	37.3	6/6/2007	6/6/2009	Complete	24,384	-
G02132	Sunnyside Brook, LLC/BASILLI	22.48	6/15/2010	6/15/2012	Complete	19,226	-
G02137	Persimmon Development TL600	15	10/14/2008	10/14/2010	Complete	3,371	-
G02140	Rogers	30.02	4/8/2011	4/8/2016	Stabilization	169,148	4,421
East Buttes and Boring Lava						316,454	5,611
G46002	Mabel Johnson Trust	17.9	10/29/2009	10/29/2011	Complete	49,993	40,691
G46008	Winters/Homes New to You Inc.	4.83	12/21/2010	12/21/2012	Complete	9,233	-
G46012	Schafer Trust	7.2	10/4/2011	10/4/2013	Complete	37,433	-
Deep Creek Target Area						96,660	40,691
G18036	Corey	0.54	5/9/2013	5/9/2015	Stabilization	2,078	-
G18039	Pratt Timberlands	88.3	10/9/2009	10/9/2011	Complete	9,182	-
G18044	Vandeberghe	50.25	6/30/2014	6/30/2019	Stabilization	-	17,961
Clackamas River Greenway						11,260	17,961
G12016	Stark	61	7/26/2012	7/26/2017	Stabilization	110,095	22,869
Clear Creek Canyon						110,095	22,869

		Stabilization					
		Acres	Close Date	End Date	Phase	Prior Years	YTD
G03010	Hartfeil	15.6	10/30/2013	1/0/1900	Stabilization	18,664	-
G03053	Trust for Public Land-Evanson	106.66	8/13/2007	8/13/2009	Complete	42	-
G03065	Gabriel	1.36	5/10/2012	5/10/2014	Stabilization	212	-
Newell & Abernathy Creeks						18,918	-
G55002	Stevens Family Enterprises LLC	24.7	6/20/2008	6/20/2010	Complete	29,268	-
G55003	Landover Properties	63.91	6/8/2009	6/8/2012	Complete	108,095	-
Stafford Basin						137,363	-
G21006	Lewis	29.6	6/26/2012	6/26/2017	Stabilization	106,681	2,103
G21007	Davis - File #21.07	24.34	3/11/2009	3/11/2011	Complete	12,801	-
G21015	Reeder	181.25	6/28/2011	12/31/2015	Stabilization	340,744	4,115
G21019	Benson	4.9	9/27/2011	9/27/2016	Stabilization	76,659	2,205
G21020	Brar	22.37	2/4/2013	1/0/1900	Stabilization	80,652	45,715
G22010	Vlahos	26	4/27/2012	4/27/2014	Stabilization	114,555	-
G22025	Kahre	13.29	3/25/2009	3/25/2011	Complete	9,343	-
G22027	Little Rock Island	12	10/26/2012	10/26/2017	Stabilization	6,214	-
Willamette Narrows						758,185	54,762
G08024	State of Oregon DAS - Dammasch	19.76	7/25/2008	7/25/2010	Complete	50,099	-
G08029	Weedman/Tonquin	24.4	3/12/2012	3/12/2017	Stabilization	25,741	4,995
G08031	Fritzler	4.81	5/20/2013	5/20/2018	Stabilization	-	5,579
Tonquin Geologic Ares						75,840	10,574
G54001	Burge Trust	52.93	5/2/2007	5/2/2009	Complete	3,224	-
G54003	Holmes Trust	38.6	10/17/2008	10/17/2010	Complete	50,311	-
G54004	Cole	5	6/8/2009	6/8/2011	Complete	2,403	-
G54005	Streeter	23.2	6/8/2009	6/8/2011	Complete	47,500	-
G54010	Sperline Trust	3.00	3/21/2014	3/21/2019	Stabilization	5,995	2,529
G54012	Massoni	10	12/15/2010	12/15/2012	Complete	33	-

		Stabilization					
		Acres	Close Date	End Date	Phase	Prior Years	YTD
G54013	Ralston/Consani	34	8/23/2010	8/23/2012	Complete	54,061	-
G54014	Schmeltzer, file 54.014	76.55	11/21/2011	11/21/2016	Stabilization	57,133	12,750
G54016	Bohm (Conserv. Easement)	26.35	1/31/2013	1/31/2015	Stabilization	14,114	17,920
Lower Tualatin Headwaters						234,772	33,198
G11011	Nelson/Vanghn Trust	68.25	8/29/2012	8/29/2017	Stabilization	95,344	47,810
G11031	Kapaun	0.41	9/28/2007	9/28/2009	Complete	61	-
G11033	ICON Construction	1.5	10/24/2008	10/24/2010	Complete	9,948	-
G11034	Brown 2	306.00	6/30/2014	TBD	Stabilization	37	-
G11036	Pohlpeter and Martin	1.61	3/20/2014	TBD	Stabilization	882	58,218
G11038	Brown 3	16.30	6/30/2014	TBD	Stabilization	-	2,620
G11039	Linn Property	1.00	12/8/2014	TBD	Stabilization	-	787
Tualatin River Greenway						111,115	109,434
G50006	Lynscot Management	152.49	2/6/2012	2/6/2017	Stabilization	254,691	74,176
Wapato Lake Target Area						254,691	74,176
G48001	Hamacher/Ponzi	36.3	2/11/2008	2/11/2010	Complete	16,968	4,670
G48002	Chehalem Ridge/TPL/Iowa Hill	1143	1/7/2010	1/7/2017	Stabilization	854,874	90,683
G48003	Withycombe	147.29	3/15/2013	3/15/2018	Stabilization	28,739	23,794
G48004	McKenzie/Chehalem Ridge	19.17	9/22/2011	9/22/2016	Stabilization	47,701	-
G48005	Sandstrom Revocable Lvng Trust	40	11/15/2012	11/15/2017	Stabilization	93,540	10,574
Chehalem Ridgetop-Refuge Area						1,048,142	129,721
G07039	Wetter	88.05	4/13/2007	4/13/2009	Complete	2,486	-
G07042	Saxton	6.7	1/22/2009	1/22/2011	Complete	24,192	-
G07045	Erickson	2.74	8/25/2014	TBD	Stabilization	-	14,790
Dairy McKay Target Area						22,019	14,790

		Stabilization					
		Acres	Close Date	End Date	Phase	Prior Years	YTD
G56002	Moore Family Farm	214.95	3/8/2012	3/8/2017	Stabilization	42,355	9,059
Killin Wetland Target Area						42,355	9,059
G13040	Steinberg	39.5	9/30/2011	9/30/2016	Stabilization	18,237	-
G13043	Keystone Construction & Dev	20.61	4/12/2010	4/12/2012	Complete	12,638	-
G13044	Chang	20	9/14/2009	9/14/2011	Complete	4,222	-
G13046	Cho	40	6/4/2010	6/4/2012	Complete	72,526	-
G13047	Lorenzen	55.6	9/27/2013	9/27/2018	Stabilization	39,788	42,654
G13048	Fernald	37.39	4/21/2011	4/21/2016	Stabilization	41,034	-
G13049	Hampton / Rock Creek	80.8	12/21/2011	12/21/2016	Stabilization	65,834	3,820
G13050	Multnomah County Tax Title	26.5	5/9/2012	5/9/2014	Stabilization	9,974	955
G13051	Mid Valley Resources	300	12/21/2011	12/21/2016	Stabilization	48,324	9,551
G13052	Orenco Woods/Hillsboro/TPL	42	12/1/2011	12/1/2016	Stabilization	88,970	73,387
Rock Creek Greenway&Headwaters						401,549	130,368
G06058	Margolis/TPL	57.5	3/27/2007	3/27/2009	Complete	2,341	2,630
G06065	Oregon Parks Foundation	86.5	11/20/2008	11/20/2010	Complete	45,947	-
G06066	Joyce	1.64	5/2/2014	5/2/2017	Stabilization	-	5,679
Forest Park Expansion						48,288	8,309
G28009	Roughton/Columbia Slough	20.5	2/24/2011	2/24/2013	Complete	38,190	-
G28031	Cambron/Fisher	0.96	12/19/2012	1/0/1900	Stabilization	271	-
G28047	Broadmoor Property	54.05	12/12/2012	1/0/1900	Stabilization	16,100	-
Columbia Slough Target Area						54,562	-
G29001	Wong	10	6/22/2007	6/22/2009	Complete	702	-
G29002	Spani Seely	1.02	12/29/2006	12/29/2008	Complete	640	-
G29004	OTelford Estates	20	11/27/2007	11/27/2009	Complete	93,619	254
G29005	Clarence Allesina	1.28	7/31/2007	7/31/2009	Complete	6,633	-
G29006	Hedges	49	7/13/2007	7/13/2009	Complete	10,296	15,734

		Stabilization					Prior Years	YTD
		Acres	Close Date	End Date	Phase			
G29007	Clatsop Buttes I (Hedge Creek)	1.54	1/7/2008	1/7/2010	Complete	2,762	-	
G29008	JC Reeves	52.68	11/30/2007	11/30/2009	Complete	4,670	-	
G29012	Stickney	1.98	7/14/2008	7/14/2010	Complete	29,380	-	
G29013	Parson	5.59	2/9/2010	2/9/2012	Complete	31,363	-	
G29015	Jones	0.5	10/7/2008	10/7/2010	Complete	36,411	-	
G29017	Gonzales	0.38	12/23/2008	12/23/2010	Complete	1,618	-	
G29018	Meade	16.08	10/15/2014	TBD	Stabilization	-	4,251	
G29019	Peden	5.85	4/8/2011	4/8/2015	Stabilization	48,158	-	
G29020	Marston	2.97	11/18/2010	11/18/2015	Stabilization	51,967	2,993	
G29022	Wildt	4.81	6/28/2012	6/28/2017	Stabilization	52,941	8,906	
G29025	Roberts	6.16	10/10/2014	TBD	Stabilization	-	89,953	
Johnson Creek Target Area						371,160	122,090	
G04024	Friberg - File 4.024	41.8	12/1/2009	12/4/2011	Complete	55	-	
G04032	Dorsey	7.90	9/30/2014	TBD	Stabilization	-	8,720	
Sandy River Gorge						55	8,720	
G01004	Douglas/Emard	107.00	5/12/2014	5/12/2020	Stabilization	3,652	27,907	
G01007	Willamette Falls	9.00	12/17/2014	TBD	Stabilization	258	-	
Willamette River Greenway						3,910	27,907	
G16009	Fields	25.89	9/13/2012	9/13/2017	Stabilization	56,273	3,885	
Fanno Creek Greenway						56,273	16,075	
G52001	OSU Foundation	24.63	5/19/2010	5/19/2015	Stabilization	55,845	-	
Cazadero Trail						55,845	-	
G47006	Fairview Creek Headwaters	32.90	5/13/2014	6/13/2019	Stabilization	1,557	37,530	
Gresham to Fairview Trail						1,557	37,530	

2006 Natural Areas Program

CAPITAL GRANT PROGRAM UPDATE

JUNE 2015

Total capital grant allocation: **\$15,000,000**

Number of projects awarded to date: **40** (Includes three withdrawn projects)

Amount awarded to date: **\$12,104,824**

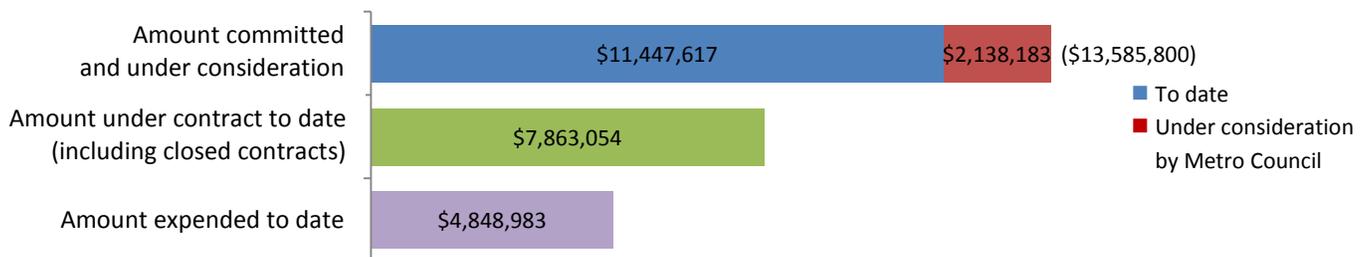
Committed funds to date: **\$11,447,617***

**This differs from the amount awarded because three projects became infeasible and several projects did not use their entire grant award.*

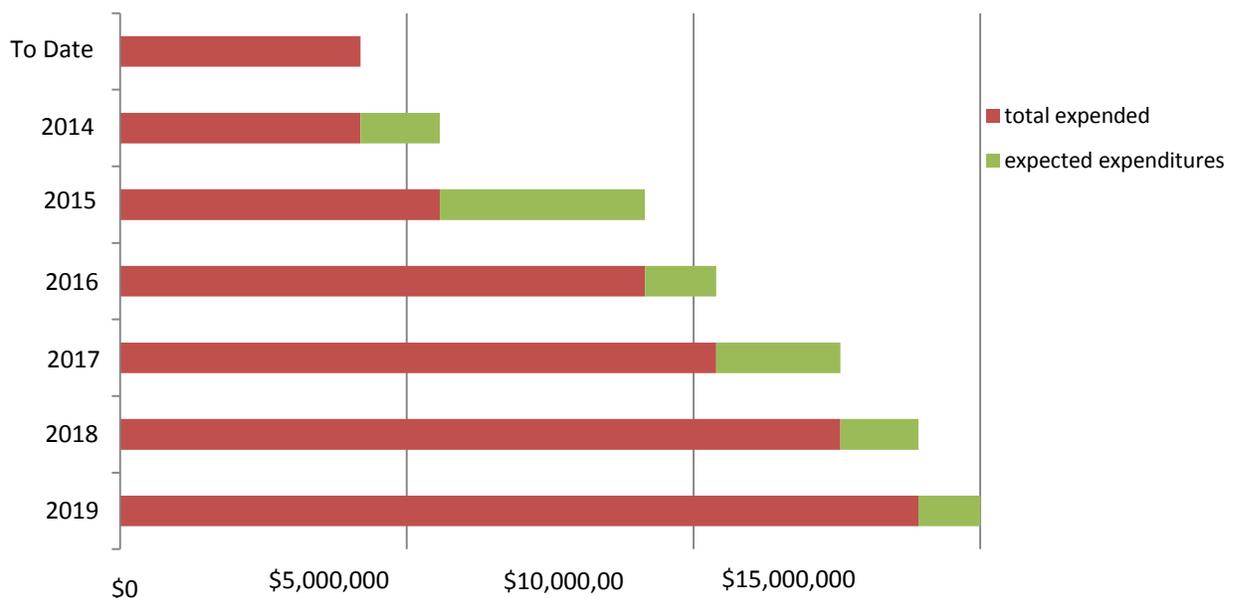
7 projects under consideration by Metro Council on July 9, 2015: **\$2,138,183**

Remaining funds available (pending Metro Council action): **\$1,414,200**

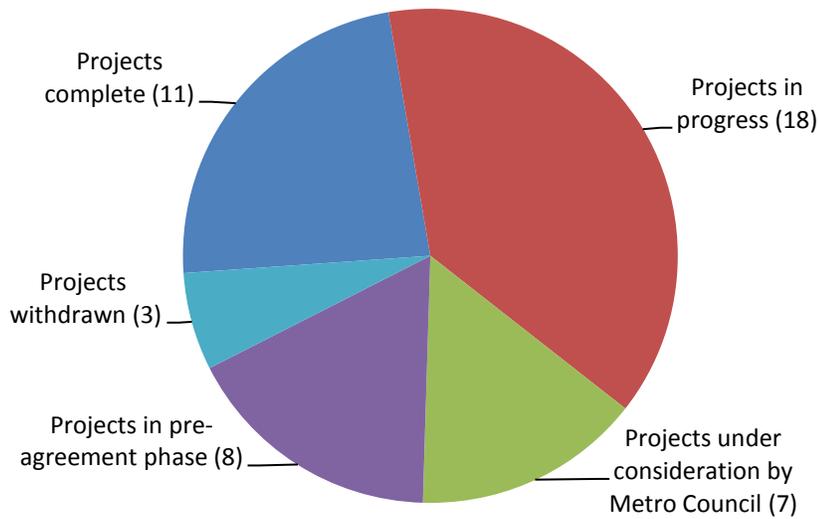
EXPENDITURE SUMMARY



PROJECTION OF EXPENDITURES BY CALENDAR YEAR

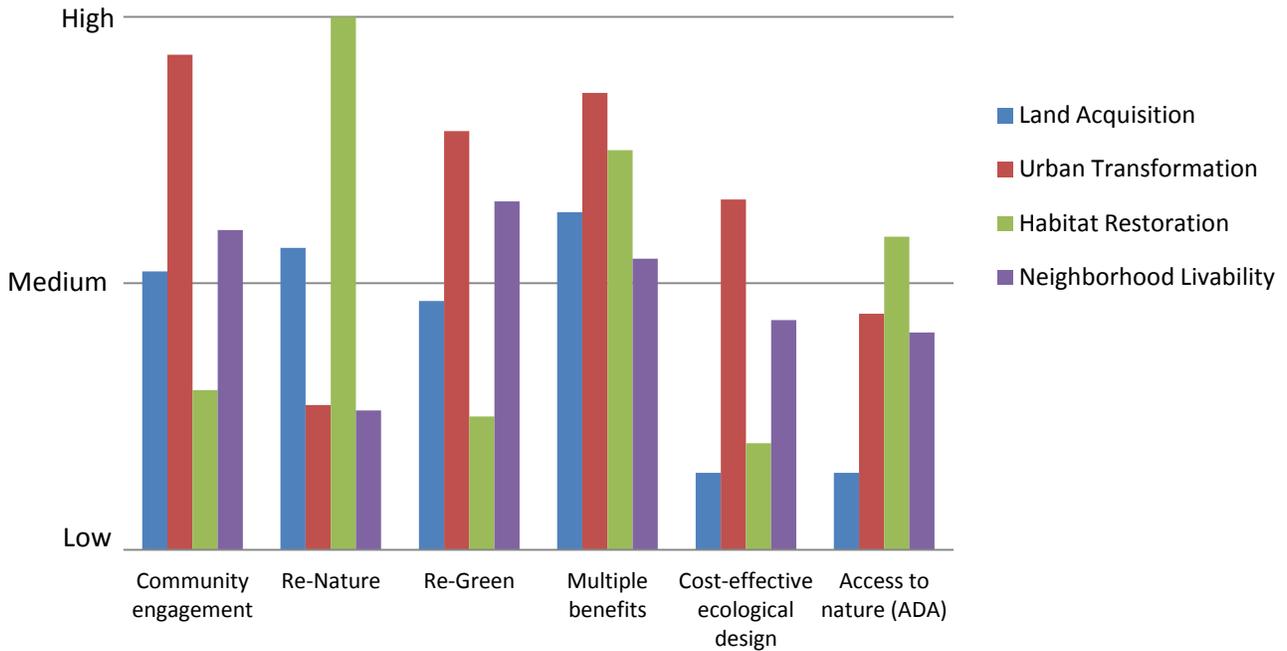


PROJECT STATUS



REVIEW OF PERFORMANCE MEASURES BY CATEGORY

Capital Grant Projects 2008-2014





Nature in Neighborhoods Capital Grants Program

Natural Areas Bond
Performance Oversight Committee

June 2015

 Metro | *Making a great place*

Program Accomplishments

Total allocation: **\$15,000,000**

Number of funding cycles: **7**

40* Projects awarded funding

*three projects declared infeasible

Committed funds: **\$11,447,617**



Re-Nature Criteria

Enhance ecological functions in order to protect water quality and enhance habitat

- Improved riparian vegetation and stream character
- Increased fish passage
- Promoted wildlife passage
- Restored wetland functions
- Acquired land to preserve key habitats
- Protected the integrity of natural resources from impacts of urban and human uses



Re-Green Criteria

Increases the presence of nature to enrich people's experience of nature

- Acquired land that improves access to nature parks
- Acquired land that preserves nature in an urban neighborhood
- Incorporated trails, boardwalks, interpretation and other amenities
- Nature-based play
- Integrated nature in meaningful ways into urban redevelopment



Multiple benefits

Demonstrate multiple benefits for people and natural systems

ReNature projects have:

- Catalyst for future investments within a watershed basin
- Intentionally involves the community in restoration and monitoring activities to create dedicated stewards
- Contributes to a community's sense of ownership and pride



Multiple benefits

Demonstrate multiple benefits for people and natural systems

ReGreen projects have:

- Partnered with workforce development efforts
- Designed space to include intentional programming and/or education
- Leveraged nature to drive a community's broader agenda for change
- Promoting advancement of MWESB contracting practices

Current review cycle (eight)

7 projects recommended for funding

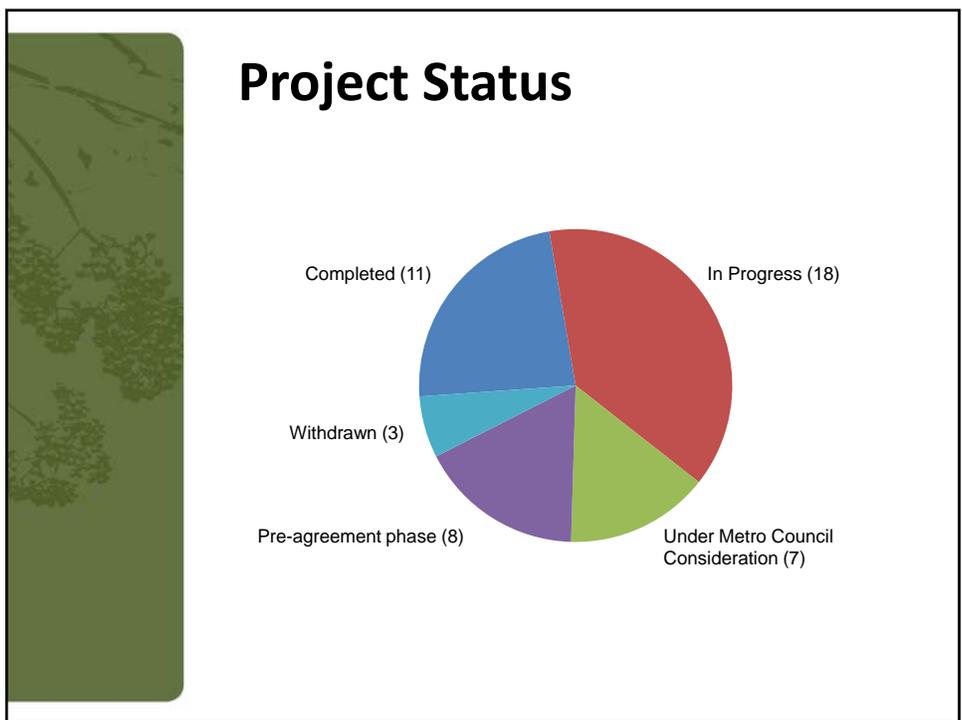
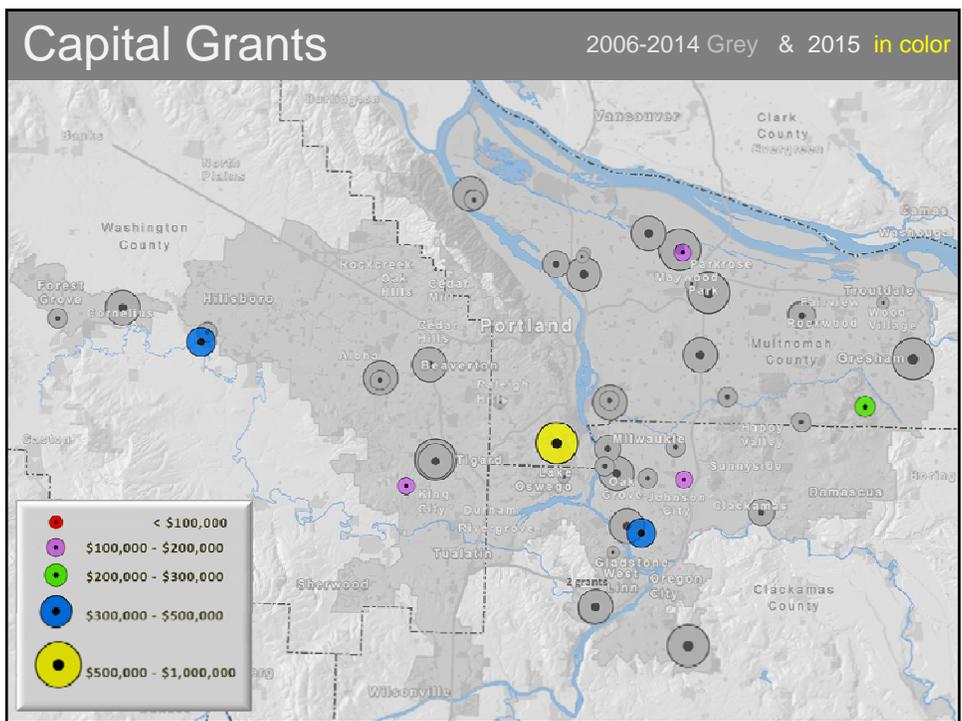
Amount recommended: **\$2,138,183**

Available for future award: **\$1,414,200**

1

Recommended Projects

- Boardman - Rinearson Wetland Complex
- Oak Island Marsh Restoration
- Mt Scott Creek Restoration
- Boones Ferry Fish, Wildlife and Trail Passage Partnership
- Let us Build Cully Park: Play Area
- Hogan Butte Nature Park Phase I
- Bull Mountain Park Nature Play and Trails



Spend down of funding



Causes of delays in project schedules

- Raising matching funds
- Complicated partnership agreements
- Design and permitting issues
- Agency schedules
- Unexpected budget increases

Assumptions on Round 9

Funding remaining
\$1,404,200

Next review cycle
August 2016



Performance Measures

- Community engagement
- Re-Nature
- Re-Green
- Multiple benefits
- Cost-effective ecological design
- Access to nature (ADA compliance)

Westmoreland Park



Stone Bridge over Nettle Cr.



Nettle Creek Restoration



Park Avenue Station

Stormwater

- All site runoff treated
- 7 acres off-site runoff treated

Site design

- 7 habitat types
- 68% of site dedicated to landscape and restoration
- Artistic interpretation using removed trees



Park Avenue Station Habitats



Nature in Neighborhoods grants



Heather Nelson Kent

Nature in Neighborhoods
Program Manager

Heather.Kent@oregonmetro.gov

Mary Rose Navarro

Grants Coordinator
Natural Areas Program

MaryRose.Navarro@oregonmetro.gov

www.oregonmetro.gov/grants/

Natural Areas Bond Fund

Budget Comparison

	2014-15	2015-16	Inc/(Dec)	% Chg
Personal Services	2,061,168	2,413,251	352,083	17.1%
Materials & Services	12,044,262	7,150,000	(4,894,262)	-40.6%
Capital Outlay	19,727,088	21,010,000	1,282,912	6.5%
Transfers				
Indirect Costs	1,557,889	1,403,485	(154,404)	-9.9%
Direct Costs	115,288	349,239	233,951	202.9%
Total Expenditures	35,505,695	32,325,975	(3,179,720)	-9.0%

Staffing Changes

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Authorized Full-Time Equivalents	14.70	14.30	20.05	20.25

Closing in

A report to the community from the Natural Areas Program Performance Oversight Committee

The Natural Areas Program continued to make steady progress during the last year, building on the strong work accomplished since the program began.

In 2006, Portland area voters approved a \$227.4 million bond measure to acquire and preserve natural areas throughout the region to safeguard water quality, protect fish and wildlife habitat, and ensure access to nature. The bond measure seeks to achieve these goals through the funding of Metro's Natural Areas Program.

The bond measure also mandates an independent citizen review of the program. Each quarter beginning in June 2007, this citizen review, called the Natural Areas Program Performance Oversight Committee, has met with Metro staff for updates on the progress and accomplishments of the program. Each year, the committee evaluates and reports on the program's structure, management, expenditures, personnel and progress of the program toward the defined goals. This report considers the progress of the program during FY 2014 from July 1, 2013 through June 30, 2014.

The committee has found that each of the three primary components of the program continues to achieve material gains towards realizing the goals of the bond measure. The following represents a summary of expenditures for each of the three components during FY 2014:

Regional acquisition

\$168.4 million to acquire 3,500-4,500 acres from willing sellers in 27 target areas

Acquisition expenditures were \$9.8 million, the lowest level since inception of the bond. Cumulatively, expenditures for acquisitions stand at \$130.4 million, or 77.4 percent of the total \$168.4 million allocation.

Local share

\$44 million allocated to local governments for park improvement projects and locally important acquisitions

Local share expenditures were \$3.6 million. Cumulatively, local share expenditures stand at \$40 million, or 91 percent of the total \$44 million allocation.

Nature in Neighborhoods capital grants

\$15 million for grants to community groups, nonprofits and local governments for projects that "re-green" or "re-nature" neighborhoods

\$4.5 million in capital grants were under consideration for 12 projects. Cumulatively, \$11.5 million has been awarded to 40 projects. Of the total \$15 million allocation, 77 percent has been committed.



REGIONAL ACQUISITION

Regional acquisitions are made in target areas - natural areas and trail/greenway corridors - identified in the 2006 bond measure. Since 2007, when acquisitions began, 4,833 acres have been acquired and protected.

In FY 2014, natural area acquisitions totaled nearly 293 acres. Highlights include the Abernethy and Newell Creeks target area, in which 16 acres were acquired, and 55 acres in the Rock Creek Headwaters and Greenway target area. One hundred seven acres were acquired on Sauvie Island adjacent to Metro-owned Howell Territorial Park, protecting more lands along the Multnomah Channel. Adjacent to the Gresham-Fairview Trail, 33 acres were acquired at Grant Butte Wetlands, part of the headwaters of Fairview Creek.

In FY 2014, trail and greenway corridor acquisitions totaled 23 acres. Some acquisitions were small but vital: one closed a trail gap on the Marine Drive Trail, the culmination of three years of negotiations. Another closed a gap in the Oregon City Loop Trail.

Quarterly topics and discussion

The committee assessed the strategy for “opportunity acquisitions” – properties either outside a target area or not specified in the refinement plan. These properties

may present opportunities to meet the bond measure’s goals for water quality, habitat or access to nature, and often have strong partner support. In response to the Metro Council’s request for guidelines and criteria specific to these opportunities, the committee worked with staff to formalize the decision-making approach.

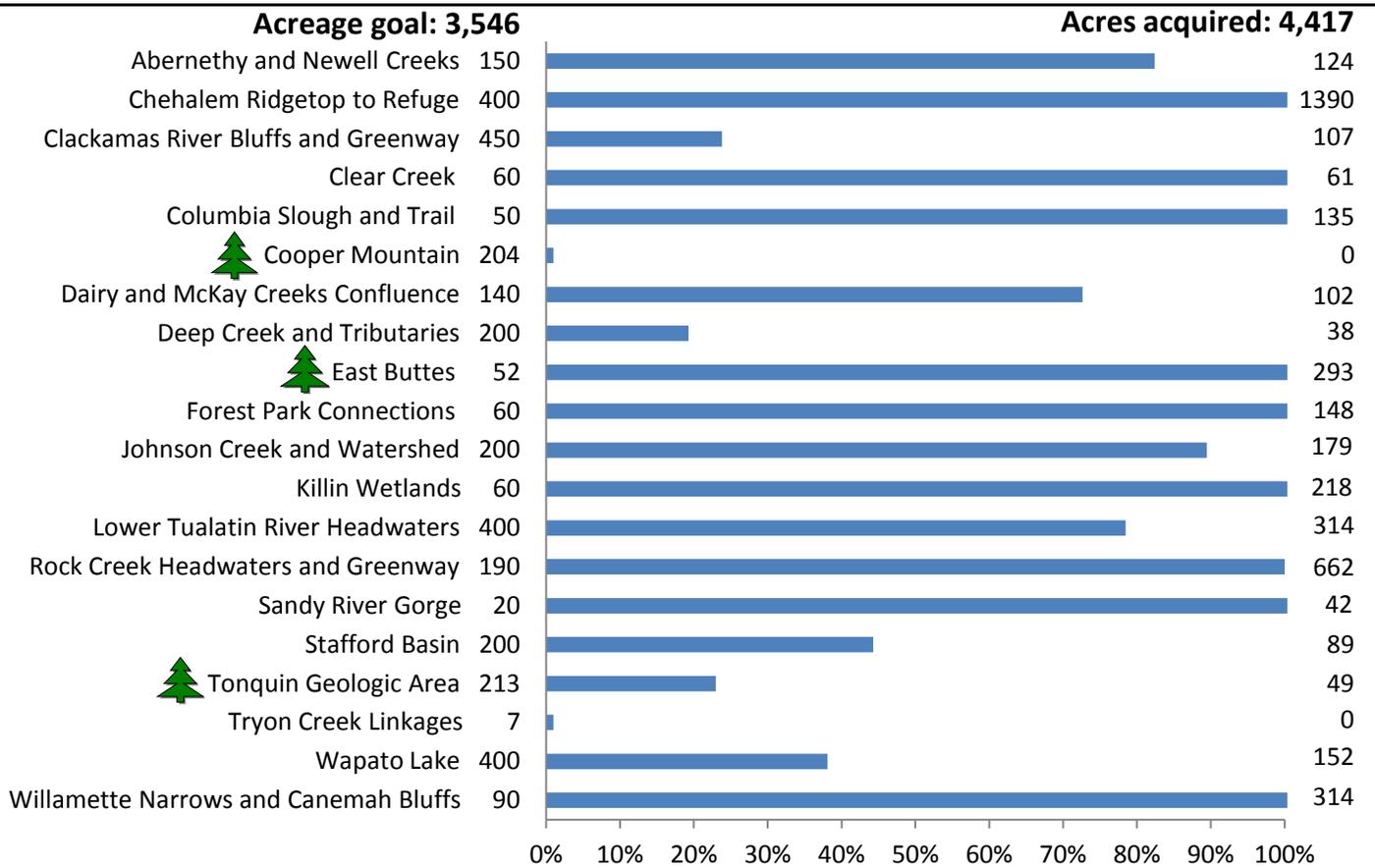
At its April 2014 meeting, the committee noted a few target areas that have not seen much progress in acquisitions: Cooper Mountain, Deep Creek, Tryon Creek and Wapato Lake. Some areas, such as Cooper Mountain, were targeted during an earlier 1995 bond. Significant acreage was acquired, but additional available parcels in the target area are limited. In response, the Natural Areas Implementation Work Plan was reviewed to ensure staff had enough flexibility to attract sellers in target areas while maintaining prudent negotiating tactics. The committee reviewed Metro’s acquisition strategies and offered advice on potential adjustments to how it approaches sellers.

Conclusion and recommendations

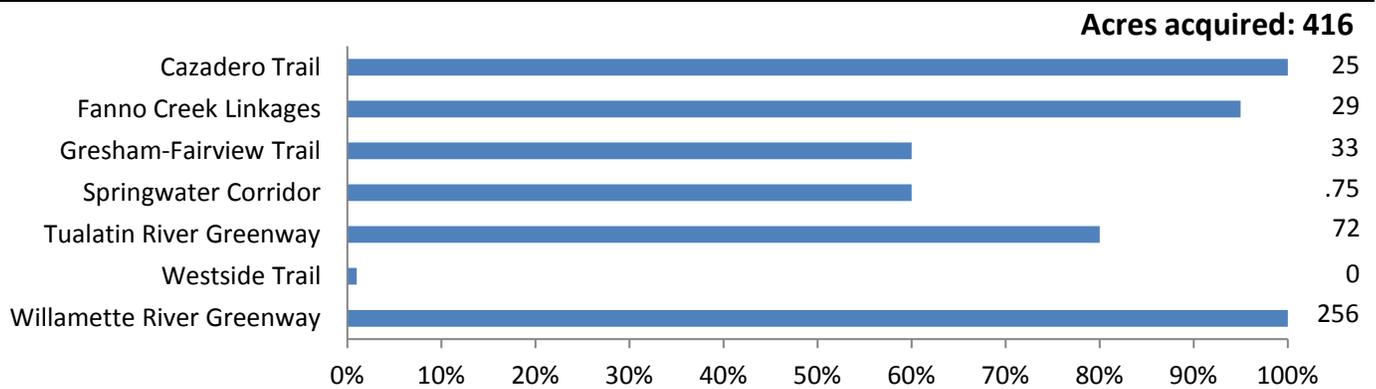
The committee is satisfied with the progress of regional acquisition but encourages Metro staff to keep looking for new strategies, especially in target areas where acquisitions have been lagging.

This is a real case of government success. By clearly outlining the specific goals of the program from its inception, the Natural Areas Program has invested taxpayer dollars extremely efficiently year after year. –Drake Butsch, committee chair

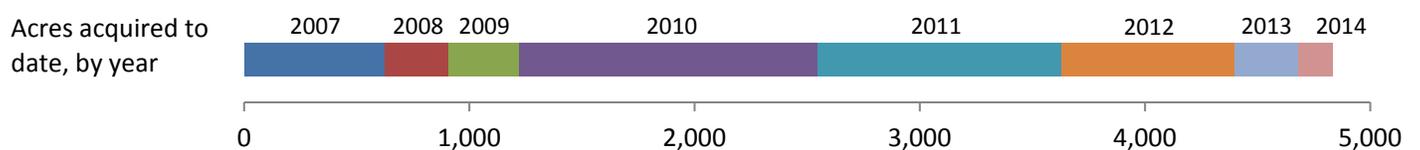
Natural area acquisition  **park built**  **percent of 2006 refinement plan acreage goals met or exceeded**



Trail/greenway corridors  **percent of 2006 refinement plan goals met**



Regional acquisition **Acres acquired: 4,833**



LOCAL SHARE

In FY 2014, jurisdictions expended \$3.6 million for local share projects. At the June 2014 meeting, staff reported to the committee that local share funds were 91 percent expended.

Quarterly topics and discussion

Local government intergovernmental agreements expired March 31, 2014, but some jurisdictions requested an extension, as they are targeting and actively working to acquire specific properties. Local share funds are on track to be fully expended by the end of 2015.

Natural area acquisitions represent nearly half of the local share funds allocated and spent. Other project types are seen in the chart below.

Staff provided a summary report of the year's local share expenditures at the June meeting. Highlights include:

- The City of Gresham contributed \$200,000 in local share funds to leverage a \$1 million grant from East Multnomah Soil and Water

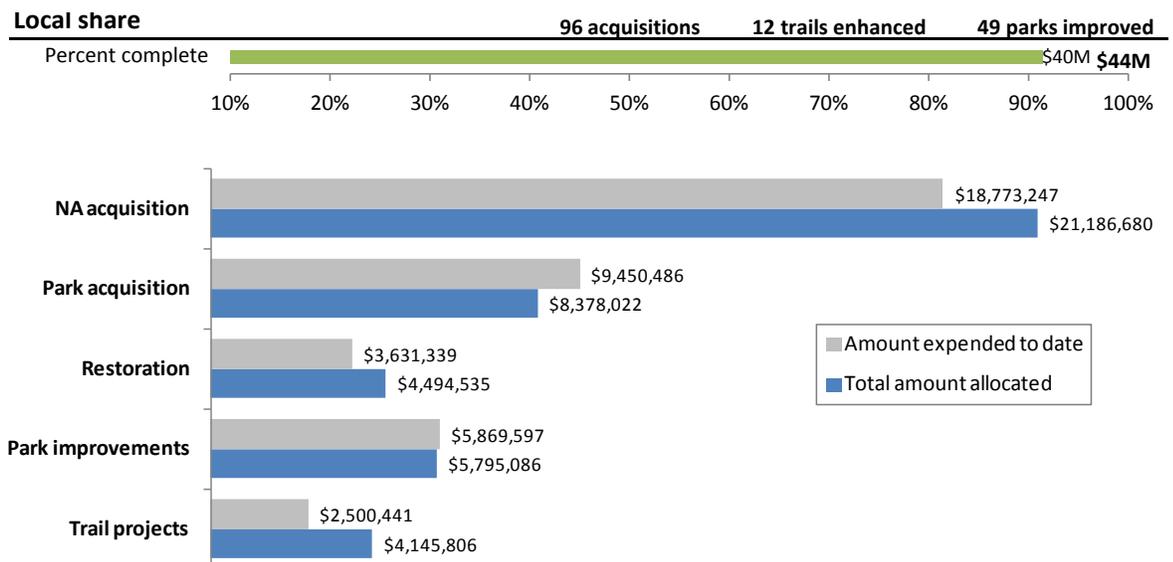
Conservation District to acquire, with Metro, 33 acres at Grant Butte Wetlands.

- Over the life of the bond, 17 sites across the region have been acquired for parks. Improvement projects for existing parks included adding lighting to Veterans Park in Cornelius, and North Clackamas Parks & Recreation District and the City of Happy Valley worked with Metro to repurpose part of an historic building to construct a picnic shelter at the new Scouters Mountain Nature Park.
- Local jurisdictions have leveraged their local share funds to gain \$37.5 million in funding from other sources over the life of the bond.

Conclusion and recommendations

The local share program is on track. As expenditures of local share funds near their conclusion, the committee should continue to monitor expenditures using staff-provided summary reports that provide both anecdotal (qualitative) and quantitative information.

DASHBOARD REPORT HIGHLIGHTS June 30, 2014



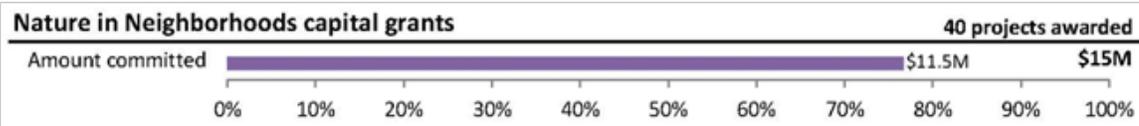
NATURE IN NEIGHBORHOODS CAPITAL GRANTS

Nature in Neighborhoods capital grants are made to community groups, schools, nonprofits and local governments and agencies. Projects may be for acquiring land for neighborhood livability via improvements to public lands, habitat

restoration, or urban transformation, i.e., integrating nature with redevelopment projects.

In seven funding cycles, \$11.5 million has been awarded to date. Approximately \$3.5 million remains for future awards.

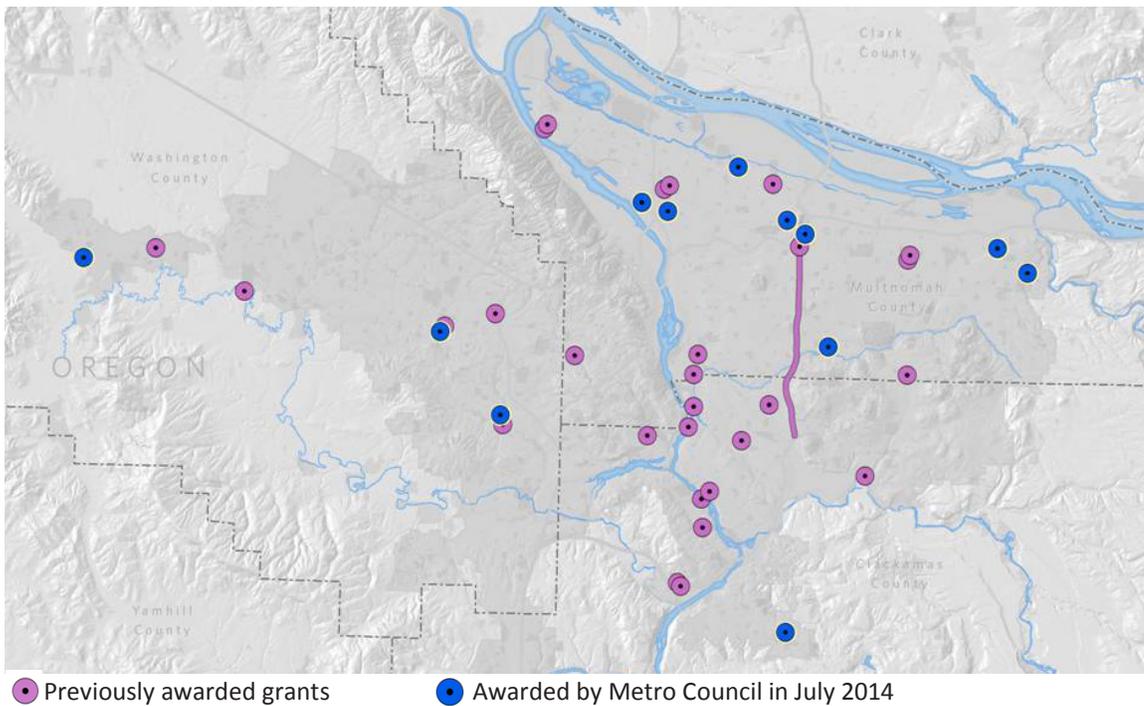
DASHBOARD REPORT HIGHLIGHTS June 30, 2014



Quarterly topics and discussion

At the June 2014 meeting, the committee reviewed this year's projects as well as the regional distribution of projects.

CAPITAL GRANTS BY TYPE OF PROJECT AWARDED



Staff also apprised the committee of the progress of ongoing projects. The grants review committee recommended 12 new projects for funding, which the Metro Council approved in July 2014. The committee suggested that networking opportunities might be beneficial to grant recipients.

Conclusion and recommendations

Nature in Neighborhood capital grants are on track. The committee should continue to review projects for geographic parity and for adherence to goals and performance measures.

OTHER OVERSIGHT COMMITTEE REVIEW

TERRAMET: NATURAL AREAS INFORMATION SYSTEM

Metro's Terramet database for the Natural Areas Program has been in place since July 2012. It provides up-to-date information on acquired properties, tracks restoration and land management at these properties, and facilitates data access and reporting.

The Natural Areas Program is continuing to use the public's dollars efficiently and effectively to acquire and preserve open space for our region. –Dean Alterman, committee member

Last year the committee recommended that Metro continue to pursue the licensing of Terramet to other regional users. Such use could result in regionwide savings and coordination. Staff is exploring sharing the Terramet database license, free, with partner jurisdictions. In return partners would share any customizations to or investments in the database.

The Terramet team is looking at system management costs and is working with The Intertwine Alliance to help manage potential Terramet licensees.

COST ALLOCATION POLICIES

As is done each year, the committee evaluated Metro's cost allocation methods. Increases in indirect costs were consistent with other cost increases across Metro.

STAFF CAPACITY

Due to a relatively slow pace in acquisitions, in January 2014 the committee asked staff to review its capacity to acquire properties. Staff noted that for some acquisitions, Metro's policy of working only with willing sellers comes into play: as negotiators sometimes work with several generations of a family, sales take time, patience and multiple conversations and meetings. In June staff reported to the committee a request for a new supervisory position on the acquisition team. A new hire in August 2014 will enable more progress in acquisitions.

STABILIZATION AT ACQUIRED SITES

Site stabilization at newly acquired properties involves, depending on the property, removal of invasive or undesired plant species, removal of structures and hazardous materials or contaminants, and enhancements to improve water quality, habitat or access to nature. At the committee's request, in 2011 staff revised site stabilization guidelines to maximize impacts while taking into account each site's ecological characteristics and needs. The committee reviewed stabilization costs for FY 2013; higher than average costs reflected the higher number of acquisitions from previous years. The committee, on reviewing year-to-date FY 2014 stabilization costs in April, found stabilization costs to be in line with previous years.

UNUSUAL CIRCUMSTANCES

Metro staff informs the committee of unusual circumstances in property transactions that are outside due diligence guidelines and hence require the authorization of the Metro Council. At the June 2014 meeting, the committee reviewed one such transaction in which a seller received a competing offer; staff asked the Metro Council for the authority to match the offer and waive an appraisal. Council approved the request. The committee found that the incidence of these unusual circumstances (one in FY 2014) is in line with expectations.

NATURAL AREAS IMPLEMENTATION WORK PLAN

The Implementation Work Plan is a formal policy document that sets out due diligence guidelines for property acquisitions and authorizes staff to make those acquisitions. The plan was created for the 1995 Open Spaces bond program, with updates to the due diligence section prior to the 2006 Natural Areas bond measure.

Conclusion and recommendations

- The committee found that Metro is making good use of Terramet and encourages staff to continue to work with external partners to make the license available to local jurisdictions.
- The committee concluded that while costs require ongoing monitoring, Metro is allocating costs to the Natural Areas Program fairly and in the same way that Metro allocates costs to other programs, as required by federal funding regulations. The committee agreed it should continue to review Metro's cost allocation policies annually to ensure that the Natural Areas Program does not bear more than its fair share of Metro cost allocations, and that the allocation methods are equitable.
- As in previous years, the committee should continue to monitor staff capacity to ensure it is adequate for implementing all aspects of the Natural Areas Program, and in 2015 should assess the impacts on acquisitions of the new hire.
- As in the past, the committee should continue to monitor the effectiveness of Metro's site stabilization guidelines. A retrospective review of a random

selection of stabilized sites and discussions with field staff in 2015 would help the committee to determine the efficacy of the implemented changes. Of particular interest is whether or not sites are on a better ecological trajectory when turned over to maintenance, and if it is lessening the maintenance burden encountered with sites that previously had little ecological stabilization.

- The committee should continue to monitor the application of unusual circumstances.
- Throughout the year, the committee collaborated with staff to review the Natural Areas Implementation Work Plan. The committee recommended more flexibility for negotiators when initial and review appraisals are not in agreement, additional criteria for opportunity acquisitions, and a revised threshold for negotiators to acquire property at a price up to 10 percent above its appraised value or \$100,000, whichever is greater. In August 2014 the Metro Council approved the updated Implementation Work Plan that incorporated the committee's recommendations.

THE YEAR AHEAD

In the next year, the Oversight Committee will follow up on the recommendations made in this report and will continue to review and evaluate program operations.

OVERSIGHT COMMITTEE MEMBERS

Drake Butsch	Builder's Services Manager/Vice President, First American Title Insurance
Dean Alterman	Attorney, Folawn Alterman & Richardson LLP
Bill Drew	Attorney, Elliott, Ostrander & Preston, PC
Christine Dupres	Faculty, American Leadership Forum of Oregon
Autumn Hickman	Senior Vice President, Commercial Real Estate, Northwest Bank
Walt McMonies	Attorney, Lane Powell, Attorneys & Counselors
Rick Mishaga	Wildlife Ecologist, Environmental Consultant (Retired)
Peter D. Mohr	Attorney, Jordan Ramis, PC
Shawn Narancich	Executive Vice President of Research, Ferguson Wellman Capital Management
Andrew Nordby	Realtor, Knipe Realty NW
Norman Penner	Board and Nature Committee Chair, Washington County Visitors Association/ Member, Tualatin River Watershed Council
Kendra Smith	Director, Willamette Model Watershed, Bonneville Environmental Foundation
Cam Turner	Principal, United Fund Investors

About Metro

Whether your roots in the region run generations deep or you moved to Oregon last week, you have your own reasons for loving this place- and Metro wants to keep it that way. Help shape the future of the greater Portland region and discover tools, services and places that make life better today.

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Tom Hughes

Metro Councilors

Shirley Craddick, District 1
Carlotta Collette, District 2
Craig Dirksen, District 3
Kathryn Harrington, District 4
Sam Chase, District 5
Bob Stacey, District 6

Auditor

Suzanne Flynn

HOW TO LEARN MORE

We encourage you to learn more about Metro's Natural Areas Program and how you can be involved by visiting the Metro website.

We also welcome your feedback about what you would like to hear from us next year. Are there specific areas of concern or processes you think we should focus on? Please contact us with any ideas, suggestions or questions.

Website

www.oregonmetro.gov/nature

Email

naturalareas@oregonmetro.gov

Phone

503-797-1545

Turn to Metro's quarterly magazine, Our Big Backyard, for all your nature news and other regional highlights, including feature stories, field guides, Q&As, upcoming events, a photography contest and much more.

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