

 **Metro** | *Agenda*

Meeting: Natural Areas Program Performance Oversight Committee
Date: Tuesday, June 7, 2016
Time: 2 to 4 p.m.
Location: Metro Regional Center, Room 270

- 2:00 WELCOME/INTRODUCTIONS (15 minutes)** Kathleen Brennan-Hunter
Welcome new members
Acknowledge outgoing chair
- 2:15 PROGRAM UPDATES (30 minutes)** Brian Kennedy
Acquisition
Dashboards
Local share and capital grants
Willamette Falls Legacy Project
Parks and Nature System Plan
Financial/stabilization reports
- 2:45 TARGET AREA PROGRESS REPORT (30 minutes)** Barbara Edwardson
Use of unusual circumstances – land acquisition
- 3:15 STABILIZATION (15 minutes)** Kate Holleran
- 3:30 BUDGET, STAFF CAPACITY, COST ALLOCATION POLICY (10 minutes)** Brian Kennedy
- 3:40 ANNUAL REPORT/2017 WORK PLAN (20 minutes)** Heather Nelson Kent
- 4:00 ADJOURN**
-

2016 WORK PLAN

September 2015

Target area review and analysis
Stabilization costs progress report
Finalize annual report

January 2016

Trails accomplishments/performance measures
Bond capital investments update
Capital grants program assessment

April 2016 (canceled)

Welcome new members
Target area progress report – land acquisition
Bond capital investments performance measures

June 2016

Stabilization costs and progress report
Use of unusual circumstances – land acquisition
Budget, staff capacity, cost allocation policy
Annual report issues and recommendations

Metro Parks and Nature protects water quality, fish and wildlife habitat, and creates opportunities to enjoy nature close to home through a connected system of parks, trails and natural areas.



Natural Areas Program Performance Oversight Committee

June 7, 2016

Committee members in attendance: Mark Aasland, Dean Alterman, Drake Butsch, Kelsey Cardwell, Peter Mohr, Norman Penner, Kendra Smith

Committee members excused: Bill Drew, Derek Johnson, Walt McMonies, Rick Mishaga

Metro: Kathleen Brennan-Hunter, Barbara Edwardson, Lisa Goorjian, Brian Kennedy, Dan Moeller, Heather Nelson Kent

Welcome and introductions

Kathleen Brennan-Hunter welcomed the committee and introduced new members Kelsey Cardwell and Mark Aasland. Derek Johnson has also joined the committee, but was unable to attend the meeting.

Kathleen acknowledged outgoing chair Drake Butsch, and thanked him for his years of service as both a committee member and chair.

Program updates

Acquisition

Kathleen reviewed property acquisitions since the last meeting. They include trail easements in the Tonquin Geologic target area, a 10-acre property at Chehalem Ridge, and a significant addition to Clear Creek Natural Area that filled a longtime gap. Metro also acquired an easement in the Sellwood area to fill a gap along the Springwater Trail.

Dashboard reports

Brian Kennedy reviewed the dashboard reports, and discussion was held about metrics related to the trails dashboard. Kathleen explained that the dashboard displays the completion of trail goals according to the refinement plans. Lisa Goorjian discussed the new dashboard for bond capital projects, which staff identified as consistent with the refinement plans and Metro Council approved in late 2014. The dashboard indicates whether the projects are on track for scope, schedule and budget. She noted that two projects – the Columbia Boulevard bridge and the Marine Drive Trail – were experiencing schedule delays. The committee suggested adding budgeted and actual costs for each project.

Local Share and Capital Grant programs

Heather Nelson Kent discussed the few remaining jurisdictions that still have local share funds available to spend on their projects. Metro has agreed to extend the intergovernmental agreements for seven local governments. Staff continue to encourage the jurisdictions to complete their projects; in some cases the delay is because they are trying to acquire land. In others, new projects have been identified as the initial projects proved infeasible. The City of Portland has recently acquired six new properties including at Marquam Nature Park and Whitacre Ponds. Heather will give a detailed report at an upcoming meeting showing which jurisdictions still have local share funds to spend and the progress they are making.

Heather reported there have been no new capital grant awards since last July. Ten letters of interest have been received for the final review cycle; full applications are due August 1. Heather anticipates presenting the final slate of projects to the Metro Council by the end of the calendar year.

Willamette Falls Legacy Project

Kathleen reported that Metro is currently recruiting for a new project manager. Parks and Nature's main focus now is on the Riverwalk, river experiences and habitat restoration; staff are also collaborating with Oregon City and Clackamas County on an economic development strategy. Metro's financial commitment is \$5 million from the Natural Areas bond measure. There are also some general fund dollars available for project management and communications support.

Parks and Nature System Plan

Brian reported that the Metro Council adopted the Parks and Nature System Plan in February. The plan states the mission and role of the department and identified a set of strategies to direct work going forward.

Financial report

Brian reviewed the most recent financial report. He noted that administrative costs are at 7.96 percent, still well below the 10 percent threshold.

Stabilization report

Brian provided a brief overview of the stabilization report. Per the committee's request, budgets have been added for more recently-acquired properties.

Target area progress report

Acquisition supervisor Barbara Edwardson recapped acquisition progress to date (see attached Target Area Progress Report). Barbara noted that more and more, compelling offers are not within 10 percent of the appraisal and staff anticipate having to seek Council approval more often due to Work Plan constraints. She asked for and received the committee's support to have further discussions with Council regarding Work Plan flexibility.

Stabilization update

Natural resource scientist Kate Holleran thanked the committee for their input over the past several years, which has resulted in changes to reporting and how the stabilization process is managed. With 52 properties currently in stabilization, Kate noted that successes in stabilization reflect the committee's suggestions.

Budget, staff capacity, cost allocation policy

Brian noted that very little will change in the next fiscal year program budget that the Metro Council is anticipated to adopt later this month. The only significant change is that the River Island restoration project will be budgeted for individually, and will also reflect a large grant from PGE.

There are no plans to change the current staffing level at this time.

Metro has a process to allocate agency overhead costs to all departments that use the services (i.e., Human Resources, Information Services, Communications, etc.). Brian reported there are no major changes in the allocation formula for next fiscal year, although there will be one technical change related to the Communications department staff that support Parks and Nature. Those costs have been part of the allocation plan in the past, but Parks and Nature will now be paying for that support directly.

Annual report and 2017 work plan

In January, the committee briefly discussed the idea that the Oversight Committee's annual report be included in the Parks and Nature annual report instead of as a stand-alone document. Additional discussion was now held about the level of independence the committee has, and what the perception would be if the committee's report was incorporated in Metro's report. Kathleen suggested perhaps a more streamlined version of the report (i.e., a memo or letter) be addressed to the Metro Council and the public. Heather said the committee could still present their report, in whatever format, to the Council; relevant highlights could be

included in Metro's annual report. It was agreed that a subcommittee of Dean Alterman, Kelsey Cardwell and Mark Aasland will work on the annual report letter/memo.

Heather reviewed the proposed 2017 work plan, attached, based on the topics presented in previous years. Committee members were asked to contact her if additional topics should be considered. Dean Alterman suggested additional discussion related to enhanced performance metrics for the trails dashboard.

Next meeting

The next meeting will be in September 2016.

Adjournment



The meeting adjourned at 4:05 p.m.

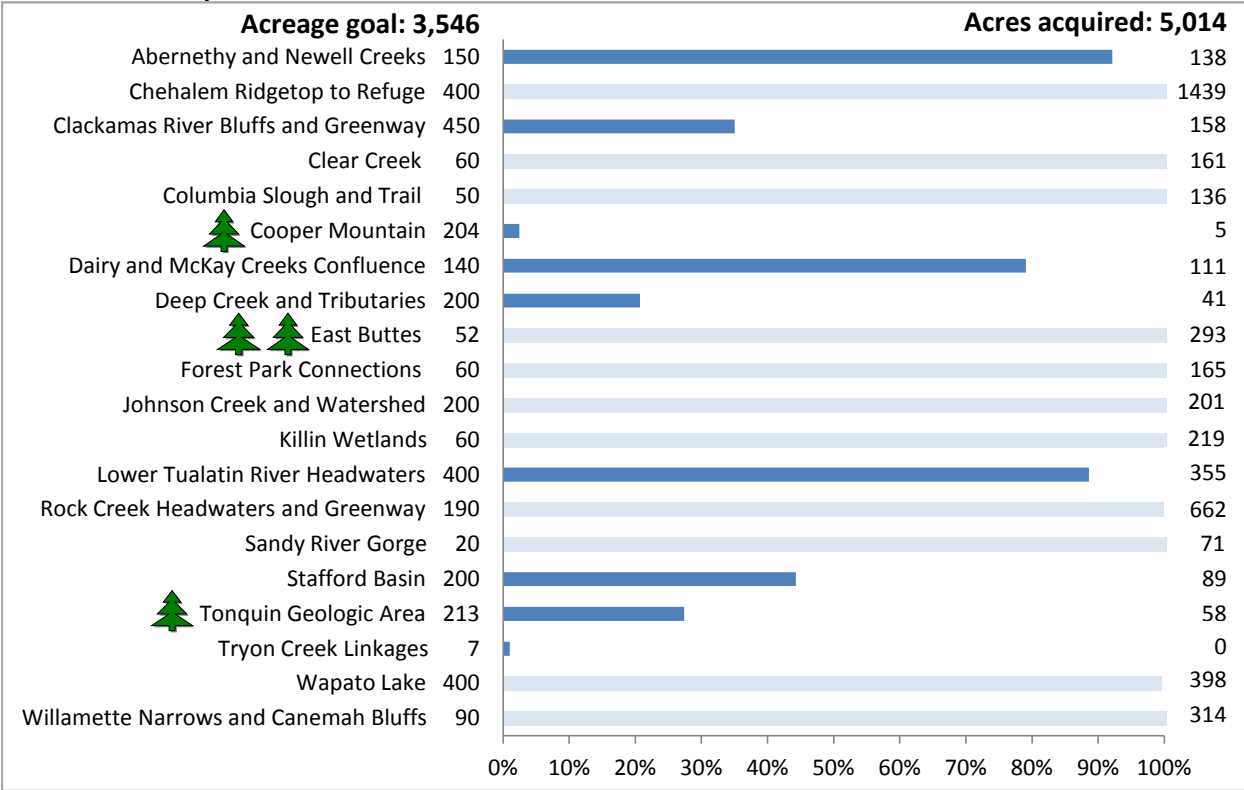
Minutes recorded by Marybeth Haliski.

Natural Areas Program



June 7, 2016

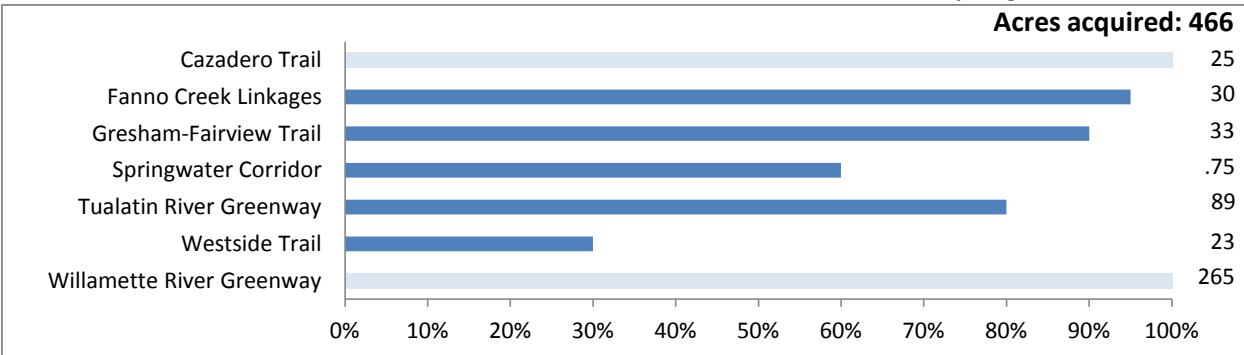
Natural area acquisition  park built

 percent of 2006 refinement plan acreage goals met
 2006 refinement plan acreage goals met or exceeded





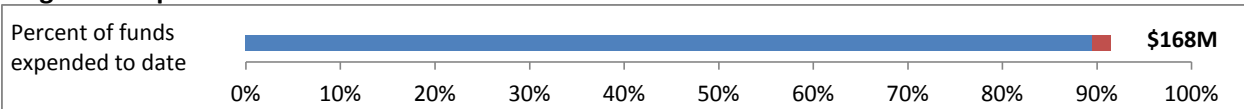
Trail/greenway corridors

 percent of 2006 refinement plan goals met
 2006 refinement plan goals met or exceeded



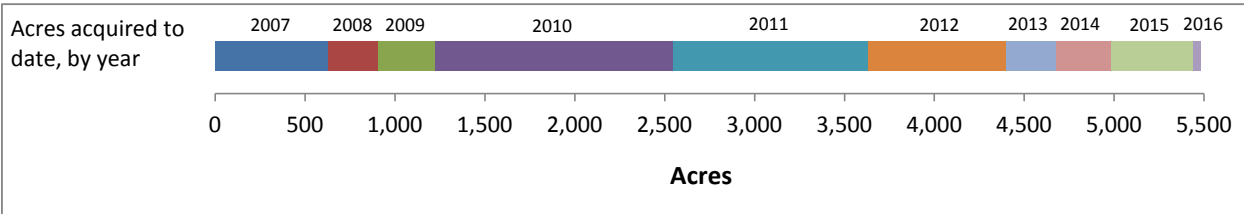
Regional acquisition

 regional acquisition funds spent to date
 funds expended since last meeting



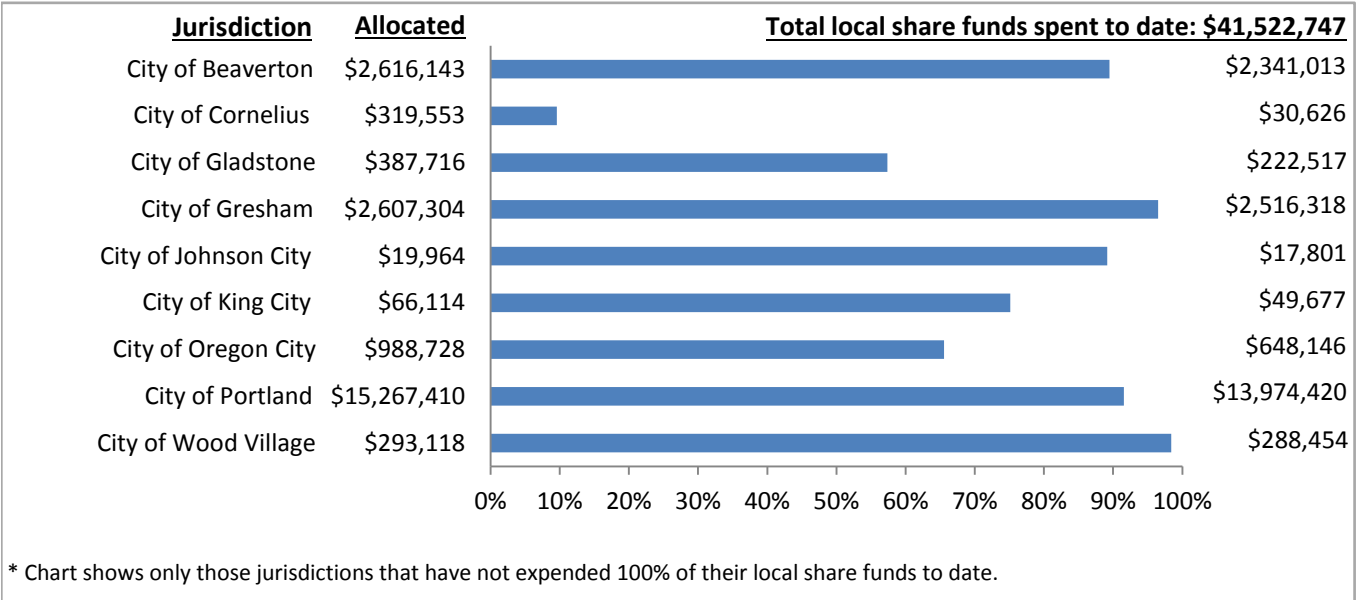
Regional acquisition

acres acquired to date, by year (5,480)



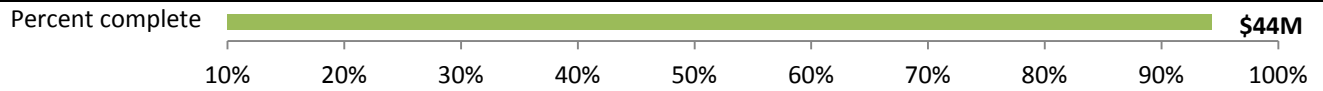
Local share*

■ percent of local share allocation spent



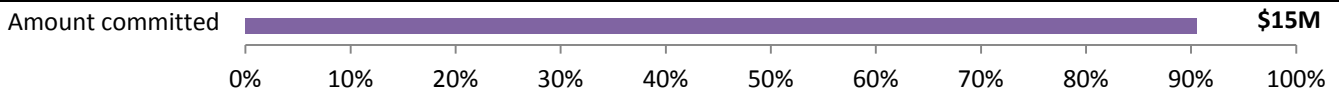
Local share

115 acquisitions 17 trails enhanced 49 parks improved



Nature in Neighborhoods capital grants

47 projects awarded



Bond capital projects

Project Name	Scope	Schedule	Budget	Notes
Chehalem Ridge Natural Area	■	■	■	
Columbia Blvd. Bridge	■	■	■	Project delayed per ODOT
Fanno Creek Trail	■	■	■	
Farmington Paddle Launch	■	■	■	
Gabbert Butte Natural Area	■	■	■	
Marine Drive Trail	■	■	■	Project delayed per levee district
River Island Natural Area	■	■	■	
Willamette Falls Riverwalk	■	■	■	

■ on-track ■ caution ■ off-track

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>FY15</u>	<u>Through 4/30/2016</u>	<u>Program Total</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>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>Amount</u>
Beginning Fund Balance	0	122,299,840	93,979,814	77,117,027	56,792,607	36,469,224	98,783,002	78,247,452	65,755,472	52,337,325		0
Resources												
Bond Proceeds	130,678,369	0	0	0	0	90,015,894	0	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	404,005		220,923	12,200,129
Other Resources	10,000	27,380	5,322,056	385,730	414,009	964,004	882,461	3,038,628	2,679		477,607	11,524,554
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	406,684		698,530	244,418,945
Requirements												
Land Acquisition												
Staff Costs	117,956	206,692	425,072	465,329	512,240	658,515	514,455	625,344	617,960	6.3	566,982	4,710,544
Materials & Services	6,786	2,599	334,980	328,153	8,506	3,907	31,450	4,037	10,452		4,423	735,293
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	6,429,224		3,059,751	103,445,674
Due Diligence												
Staff Costs	0	412,029	492,589	455,774	430,237	464,571	438,935	498,527	529,928	5.0	515,593	4,238,183
Materials & Services	96,539	199,756	183,474	299,244	315,358	412,112	699,814	246,354	199,088		102,569	2,754,309
Stabilization												
Staff Costs	19,578	116,534	190,606	290,234	388,887	430,992	441,095	431,361	507,678	4.7	424,936	3,241,902
Materials & Services	294	177,441	345,330	284,874	643,569	681,557	1,251,803	1,344,431	1,559,795		1,779,139	8,068,234
Local Share												
Staff Costs	0	36,269	43,872	47,458	49,759	56,434	57,341	59,700	62,704	0.5	54,261	467,799
Materials & Services	0	25	188	3,500	0	0	1,488	0	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	911,948		260,608	40,822,520
Capital Grants												
Staff Costs	0	63,831	89,352	125,466	91,744	111,876	94,896	92,017	96,385	0.8	95,727	861,296
Materials & Services	0	1,400	1,363	811	114	180	25	0	2,923		0	6,817
Grant Payments	0	0	49,750	534,899	1,287,039	195,282	1,510,360	747,233	744,792		343,984	5,413,339
Capital Construction												
Staff Costs	0	84,071	113,921	115,064	100,643	115,884	142,649	128,057	48,379	0.9	198,745	1,047,413
Capital	455,072	1,513,347	2,503,147	1,841,075	917,019	(9,098)	301,099	808,810	48,233		994,130	9,372,835
Administration												
Bond Issuance Costs Refinement	295,889	0	0	0	0	325,046	43	0	0		0	620,978
Staff Costs	1,477	5,426	0	0	0	0	0	0	0		0	6,903
Materials & Services	382,030	85,882	0	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	524,683	3.7	494,970	5,998,609
Materials & Services	25,980	152,422	51,490	56,082	263,857	890,303	533,379	399,297	455,907		184,392	3,013,108
Indirect Admin Costs*	60,971	339,422	574,569	370,939	453,567	611,267	851,346	827,713	1,074,755		753,667	5,918,215
Other Requirements	0	0	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	13,824,831		9,833,878	201,217,083
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	52,337,325		43,201,977	43,201,977
	<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>FY14</u>		<u>FY16 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%	14.87%		14.57%	7.96%

* 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.

Natural Areas Stabilization Report

April 30, 2016

	Acres	Acquisition Cost	Closing Date	Stabilization End Date	Status	Budget	Prior Years	FY 2015	Total Project Expenditures	Under/(Over) Budget
Personal Services							1,938,428	424,932	2,363,360	
Materials and Services							88,269	5,665	93,934	
Stabilization Administration							2,026,697	430,597	2,457,295	
G02038 Happy Valley Homes	14.70	462,000	7/26/2011	7/26/2014	Complete		4,313	-	4,313	
G02097 Miller	20.99	3,000,000	6/30/2008	6/30/2010	Complete		6,214	-	6,214	
G02110 Cascade Pacific Council	68.30	1,353,000	5/5/2011	5/5/2016	Stabilization		75,608	-	75,608	
G02125 Darby Ridge	37.30	3,600,000	6/6/2007	6/6/2009	Complete		10,205	-	10,205	
G02132 Sunnyside Brook, LLC/BASILLI	22.48	504,500	6/15/2010	6/15/2012	Complete		19,226	-	19,226	
G02137 Persimmon Development TL600	15.00	379,500	10/14/2008	10/14/2010	Complete		3,363	-	3,363	
G02140 Rogers	30.02	750,000	4/8/2011	4/8/2016	Stabilization		183,479	12,493	195,972	
East Buttes and Boring Lava							303,870	14,363	318,233	
G46002 Mabel Johnson Trust	17.90	845,000	10/29/2009	10/29/2011	Complete		90,684	-	90,684	
G46008 Winters/Homes New to You Inc.	4.83	344,000	12/21/2010	12/21/2012	Complete		9,233	-	9,233	
G46009 Switzer (Garrison) Property	7.60	209,000	3/13/2014	3/13/2019	Stabilization		-	1,521	1,521	
G46012 Schafer Trust	7.20	380,000	10/4/2011	10/4/2013	Complete		37,433	-	37,433	
G46015 Boring Damascus Grange	2.88	144,000	6/25/2015	6/25/2020	Stabilization		-	16,347	16,347	
Deep Creek Target Area							137,350	17,868	155,218	
G18036 Corey	0.54	5,000	5/9/2013	5/9/2015	Complete		2,078	-	2,078	
G18039 Pratt Timberlands	88.30	404,000	10/9/2009	10/9/2011	Complete		9,182	-	9,182	
G18044 Vandenberghe	50.25	470,000	6/30/2014	6/30/2019	Stabilization		65,054	38,134	103,187	
Clackamas River Greenway							76,314	38,134	114,448	
G12007 Aus Farms	68.80	755,000	7/21/2015	7/21/2020	Stabilization		-	29,887	29,887	
G12013 Halton	1.00	30,000	6/3/2015	6/30/2019	Stabilization		419	3,148	3,567	
G12016 Stark	61.00	1,050,000	7/26/2012	7/26/2017	Stabilization		146,623	19,528	166,151	
Clear Creek Canyon							147,042	52,760	199,803	
G03010 Hartfeil	15.60	285,000	10/30/2013	10/30/2018	Stabilization		39,591	6,625	46,216	
G03021 Otterwood a.k.a Woodworth	11.56	1,250,000	3/11/2015	3/11/2020	Stabilization		-	6,624	6,624	

	Acres	Acquisition Cost	Closing Date	Stabilization End Date	Status	Budget	Prior Years	FY 2015	Total Project Expenditures	Under/(Over) Budget
G03065 Gabriel	1.36	13,000	5/10/2012	5/10/2014	Complete		212	-	212	
Newell & Abernathy Creeks							39,803	13,250	53,053	
G55002 Stevens Family Enterprises LLC	24.70	1,800,000	6/20/2008	6/20/2010	Complete		9,951	-	9,951	
G55003 Landover Properties	63.91	4,382,000	6/8/2009	6/8/2012	Complete		98,998	-	98,998	
Stafford Basin							108,948	-	108,948	
G21006 Lewis	29.60	560,000	6/26/2012	6/26/2017	Stabilization		111,898	17	111,915	
G21007 Davis - File #21.07	24.34	690,000	3/11/2009	3/11/2011	Complete		9,968	-	9,968	
G21015 Reeder	181.25	2,200,000	6/28/2011	12/31/2015	Complete		355,227	11,254	366,482	
G21019 Benson	4.90	333,000	9/27/2011	9/27/2016	Stabilization		81,982	1,197	83,178	
G21020 Brar	22.37	124,000	2/4/2013	2/4/2018	Stabilization		139,814	103,959	243,774	
G22010 Vlahos	26.00	1,200,000	4/27/2012	4/27/2017	Stabilization		114,555	2,880	117,435	
G22025 Kahre	13.29	795,000	3/25/2009	3/25/2011	Complete		9,343	-	9,343	
G22027 Little Rock Island							6,214	26,479	32,693	
Willamette Narrows							835,337	145,786	981,123	
G08024 State of Oregon DAS - Dammasch	19.76	186,300	7/25/2008	7/25/2010	Complete		9,318	-	9,318	
G08029 Weedman/Tonquin	24.40	500,000	3/12/2012	3/12/2017	Stabilization		44,807	4,477	49,284	
G08031 Fritzler	4.81	50,000	5/20/2013	5/20/2018	Stabilization		5,579	2,277	7,857	
Tonquin Geologic Ares							59,704	6,755	66,459	
G54003 Holmes Trust	38.60	1,050,000	10/17/2008	10/17/2010	Complete		42,756	1,200	43,956	
G54004 Cole	5.00	325,000	6/8/2009	6/8/2011	Complete		2,403	-	2,403	
G54005 Streeter	23.20	680,528	6/8/2009	6/8/2011	Complete		47,488	-	47,488	
G54010 Sperline Trust	3.00	395,000	3/21/2014	3/21/2019	Stabilization		8,524	-	8,524	
G54012 Massoni	10.00	70,300	12/15/2010	12/15/2012	Complete		33	-	33	
G54013 Ralston/Consani	34.00	600,000	8/23/2010	8/23/2012	Complete		54,061	-	54,061	
G54014 Schmeltzer, file 54.014	76.55	900,000	11/21/2011	11/21/2016	Stabilization		72,495	4,227	76,722	
G54016 Bohm (Conserv. Easement)	26.35	171,275	1/31/2013	1/31/2018	Stabilization		36,794	10,958	47,752	
Lower Tualatin Headwaters							264,554	16,385	280,938	
G11011 Nelson/Vanghn Trust	68.25	800,000	8/29/2012	8/29/2017	Stabilization		160,486	17,877	178,362	

	Acres	Acquisition Cost	Closing Date	Stabilization End Date	Status	Budget	Prior Years	FY 2015	Total Project Expenditures	Under/(Over) Budget
G11033 ICON Construction	1.50	300,000	10/24/2008	10/24/2010	Complete		3,787	-	3,787	
G11036 Pohlpetter and Martin	1.61	195,000	3/20/2014	3/20/2019	Stabilization		70,539	308,029	378,568	
G11038 Brown 3	16.30	130,320	6/30/2014	6/30/2019	Stabilization		4,182	9,831	14,013	
G11039 Linn Property	1.00	5,000	12/8/2014	12/8/2019	Stabilization		787	-	787	
Tualatin River Greenway							245,751	335,736	581,488	
G05037 Schell	5.00	435,000	2/27/2015	2/27/2017	Stabilization		1,126	1,477	2,603	
Cooper Mountain							1,126	1,477	2,603	
G50006 Lynscot Management	152.49	1,290,000	2/6/2012	2/6/2017	Stabilization		348,089	125,611	473,700	
G50008 Zurcher	246.00	1,875,000	3/23/2015	12/31/2021	Stabilization	475,000	477,232	69,239	546,470	(71,470)
Wapato Lake Target Area							350,321	194,850	545,171	
G48001 Hamacher/Ponzi	36.30	1,146,500	2/11/2008	2/11/2010	Complete		5,718	-	5,718	
G48002 Chehalem Ridge/TPL/Iowa Hill	1,143.00	6,120,000	1/7/2010	1/7/2020	Stabilization		989,345	81,146	1,070,490	
G48003 Withycombe	147.29	1,241,000	3/15/2013	3/15/2018	Stabilization		81,012	12,908	93,919	
G48004 McKenzie/Chehalem Ridge	19.17	175,000	9/22/2011	9/22/2016	Stabilization		51,170	-	51,170	
G48005 Sandstrom Revocable Lvng Trust	40.00	350,000	11/15/2012	11/15/2017	Stabilization		107,964	5,807	113,771	
G48009 Ludwick	34.09	475,000	4/17/2015	4/17/2020	Stabilization		1,335	28,823	30,158	
G48011 Taylor	4.82	150,000	5/29/2015	5/29/2018	Stabilization		-	6,816	6,816	
Chehalem Ridgetop-Refuge Area							1,242,863	135,500	1,378,363	
G07039 Wetter	88.05	700,000	4/13/2007	4/13/2009	Complete		1,450	560	2,010	
G07042 Saxton	6.70	105,700	1/22/2009	1/22/2011	Complete		16,334	-	16,334	
G07045 Erickson	2.74	270,000	8/25/2014	8/25/2019	Stabilization		18,540	13,873	32,412	
Dairy McKay Target Area							31,665	24,798	56,463	
G56002 Moore Family Farm	214.95	650,000	3/8/2012	3/8/2017	Stabilization		58,181	92,209	150,390	
Killin Wetland Target Area							58,181	92,209	150,390	
G13040 Steinberg	39.50	995,000	9/30/2011	9/30/2016	Stabilization		18,237	-	18,237	
G13043 Keystone Construction & Dev	20.61	245,062	4/12/2010	4/12/2016	Complete		12,638	11,062	23,700	

	Acres	Acquisition Cost	Closing Date	Stabilization End Date	Status	Budget	Prior Years	FY 2015	Total Project Expenditures	Under/(Over) Budget
G13044 Chang	20.00	225,000	9/14/2009	5/31/2016	Complete		4,222	12,682	16,905	
G13046 Cho	40.00	838,060	6/4/2010	6/4/2018	Stabilization		72,526	-	72,526	
G13047 Lorenzen	55.60	990,000	9/27/2013	9/27/2018	Stabilization		115,049	76,722	191,771	
G13048 Fernald	37.39	900,000	4/21/2011	6/29/2016	Stabilization		45,461	-	45,461	
G13049 Hampton / Rock Creek	80.80	650,000	12/21/2011	12/21/2016	Stabilization		75,065	18,255	93,320	
G13050 Multnomah County Tax Title	26.50	0	5/9/2012	5/9/2017	Stabilization		10,929	4,223	15,153	
G13051 Mid Valley Resources	300.00	1,450,000	12/21/2011	12/21/2016	Stabilization		61,705	62,320	124,026	
G13052 Orenco Woods/Hillsboro/TPL	42.00	4,000,000	12/1/2011	12/1/2016	Stabilization		226,260	329,531	555,791	
Rock Creek Greenway&Headwaters							642,094	514,795	1,156,889	
G06058 Margolis/TPL	57.50	1,790,000	3/27/2007	3/27/2009	Complete		2,630	-	2,630	
G06065 Oregon Parks Foundation	86.50	86,450	11/20/2008	11/20/2010	Complete		32,622	-	32,622	
G06066 Joyce	1.64	175,000	5/2/2014	5/2/2017	Stabilization		7,090	-	7,090	
G06067 Butler	17.10	240,000	12/15/2014	12/15/2019	Stabilization		8,579	22,615	31,194	
Forest Park Expansion							50,921	22,615	73,536	
G28009 Roughton/Columbia Slough	20.50	1,997,093	2/24/2011	2/24/2013	Complete		38,190	-	38,190	
G28031 Cambron/Fisher	0.96	85,000	12/19/2012	12/19/2014	Complete		271	-	271	
G28047 Broadmoor Property	54.05	542,888	12/12/2012	12/12/2014	Complete		16,100	-	16,100	
Columbia Slough Target Area							54,562	-	54,562	
G29002 Spani Seely	1.02	240,000	12/29/2006	12/29/2008	Complete		640	-	640	
G29004 OTelford Estates	20.00	1,200,000	11/27/2007	11/27/2009	Complete		43,731	-	43,731	
G29006 Hedges	49.00	5,148,750	7/13/2007	7/13/2009	Complete		16,100	-	16,100	
G29007 Clatsop Buttes I (Hedge Creek)	1.54	260,000	1/7/2008	1/7/2010	Complete		1,206	-	1,206	
G29012 Stickney	1.98	400,000	7/14/2008	7/14/2010	Complete		11,493	-	11,493	
G29013 Parson	5.59	378,000	2/9/2010	2/9/2012	Complete		31,363	-	31,363	
G29015 Jones	0.50	350,000	10/7/2008	10/7/2010	Complete		20,137	-	20,137	
G29018 Meade	16.08	600,000	10/15/2014	10/15/2019	Stabilization	280,000	67,544	56,011	123,555	156,445
G29019 Peden	5.85	187,000	4/8/2011	10/30/2015	Complete		48,158	-	48,158	
G29020 Marston	2.97	322,626	11/18/2010	11/18/2015	Complete		54,959	-	54,959	
G29022 Wildt	4.81	450,000	6/28/2012	6/28/2017	Stabilization		66,103	2,140	68,243	
G29025 Roberts	6.16	345,000	10/10/2014	10/10/2019	Stabilization	155,000	96,453	8,611	105,064	49,936
Johnson Creek Target Area							457,888	66,762	524,650	

	Acres	Acquisition Cost	Closing Date	Stabilization End Date	Status	Budget	Prior Years	FY 2015	Total Project Expenditures	Under/(Over) Budget
G04024 Friberg - File 4.024	41.80	275,000	12/1/2009	12/4/2011	Complete		55	-	55	
G04032 Dorsey	7.90	310,000	9/30/2014	9/30/2017	Stabilization		8,720	6,414	15,134	
Sandy River Gorge							8,775	10,710	19,485	
G01004 Douglas/Emard	107.00	1,245,000	5/12/2014	5/12/2020	Stabilization		32,435	15,672	48,106	
G01007 Willamette Falls	9.00	0	12/17/2014	12/17/2020	Stabilization		258	-	258	
Willamette River Greenway							32,693	15,672	48,364	
G16009 Fields	25.89	5,150,000	9/13/2012	9/13/2017	Stabilization		61,655	-	61,655	
Fanno Creek Greenway							61,655	-	61,655	
G17018 Burger	21.70	245,964	6/26/2014	6/26/2020	Stabilization		5,600	25,764	31,364	
Westside Trail							5,600	25,764	31,364	
G52001 OSU Foundation	24.63	325,000	5/19/2010	5/19/2016	Complete		55,845	1,035	56,880	
Cazadero Trail							55,845	1,035	56,880	
G47006 Fairview Creek Headwaters	32.90	2,185,000	5/13/2014	6/13/2019	Stabilization		42,407	24,692	67,099	
Gresham to Fairview Trail							42,407	24,692	67,099	

Stabilization program update

Kate Holleran, natural resource scientist

June 2016

Stabilization is the process of putting a new natural area into the condition for which it was purchased. Unneeded infrastructure such as houses and roads are decommissioned, invasive plants are controlled and native plants installed, and degrading conditions are corrected.

There are currently 52 properties in stabilization of which 20 will move out of stabilization by the end of 2017.

After closing on a property, a letter is sent to the surrounding neighborhood letting people know about the acquisition and the type of activities they might see or hear during stabilization. A function-based stabilization plan is developed. All major activities are listed, and a benchmark is identified for tracking when each activity, and stabilization as a whole, has been completed on a property.

Last year the Oversight Committee requested that stabilization budgets be included in the stabilization plans. We have begun to do this for each new natural area, and also for any existing plan that is being revised or extended.

Most properties now have a five year stabilization period, with the majority of activities being completed in the first three years. The most common activity occurring in years four and five is control of competition around newly plantings.

Target Area Progress Report

Barbara Edwardson, acquisition program supervisor

June 2016

Since it is near the end of the fiscal year, I'll give a short recap of the year thus far, address the update on the use of unusual circumstances, and then go over some trends we are seeing and ask for direction to continue our success going forward.

FISCAL YEAR ACTIVITY TO DATE

- 12 acquisitions totaling \$4,256,376
- 181 acres acquired
- \$354,698 average purchase price

Fiscal year 2015/2016 has so far been a time of small property purchases. No property over 70 acres, and four of the 12 properties cost \$50,000 or less. (In contrast, we currently have six properties under contract for \$3.6 million and 128 acres.)

Acreage goals have been overachieved in most target areas. The average target area acreage acquired is 185 percent of the refinement plan goal.

Recent due diligence expenses have been especially high due to a number of contaminated properties, which elevated overhead costs. Some deals involving land use actions take over a year to close, and many properties have environmental problems.

UNUSUAL CIRCUMSTANCES

Staff asked the Metro Council to approve one unusual circumstance related to an environmental condition; although it was approved by Council, Metro subsequently decided not to purchase the property.

PRIORITY LIST

The acquisition team has a list of nearly 200 desired properties totaling at least \$75 million, with the highest priority 82 properties totaling \$44 million. The most important, strategic properties with the best habitat are well known to staff.

The acquisition program only works with willing sellers and staff feel they have exhausted the willing sellers of priority properties. In order to keep converting unwilling sellers into willing sellers we know it will take some extraordinary measures. Reasons for sellers being unwilling to sell their property to Metro include the dynamic upward real estate market:

- Especially in "hot" areas like the Silicon Forest, there is a lot of competition for all types of property
- Costs are projected to keep rising due to population influx, lack of supply
- There is an abundance of cash buyers
- Urban reserve process has spurred speculative buying mentality
- In trying to fill a trail gap, we don't have alternatives

In addition, we are in Year 8 of the bond measure. Owners of the most important properties have been contacted and know we would like to buy their land. Also, priorities have changed somewhat in some areas, based on where we have been able to buy.

Recently staff have been in situations where Metro was out-negotiated for key properties because we were trying to stay within the Work Plan guidelines:

- 40-acre bank-owned property on Clackamas River: comparables pointed to a \$1 million worth; it was listed at \$1,250,000. We were in contact with owner, then bank, put in offers along the way, adhered to difficult bank disposition policy, kept raising the offer, got an appraisal valuing the property at \$1,030,000. We were willing to go up \$100,000 (limit in Work Plan). Another person bid \$1.2 million so we lost it.
- 70-acre property on Clackamas River: we were willing to pay owner's appraisal value but owners wanted a farmer to buy it. Farmer paid the appraisal value. If we had offered a premium, we might have acquired the property.

Other examples include willing seller properties but we find ourselves being presented with terms that we know ahead of time will require Council approval , such as:

- 5-acre home site near Sherwood: put under contract for \$200,000. Appraiser said that since a home would need engineering to build on a slope he made the highest and best use as open space, greatly devaluing the property and difficult to explain to the owner.
- Some property purchases hinge on other entities taking management. We were recently pursuing two properties (one for a Council Creek trailhead and the other for a Columbia Slough wetland) wherein no one else would manage the property so we bowed out. We are now considering holding trail properties until a trail builder and manager can be found.
- 51-acre property in Tonquin Geologic target area: owner paid \$950,000, appraisal came in at \$850,000. Owner will sell for \$1 million plus we give Right of First Refusal back for free. Needs Council approval. We have it under contract now and would like to be able to tell the Council that the Oversight Committee supports this transaction.

We anticipate that in order to be able to acquire more key properties and move to close out this pool of bond funds in the most efficient, beneficial and ultimately most responsible way, we need to take some actions such as paying premiums, allowing owners to stay on the land for a period of time (sometimes rent free), paying for the cost of land partitions, and being more flexible in contract issues where it will not increase Metro's liability, and consider other matters along these lines. We have a list of landowners that we can go back to with improved offers. In addition, if acquisition spending is accelerated, there may be some related benefits such as lowering staff expenses as the remaining pool of money dwindles. We also might be able to get more of the strategically important properties that we need.

Natural Areas Program Performance Oversight Committee

PROPOSED 2016/17 work plan

September 2016

Welcome new members?

Finalize annual report (including review of any unusual circumstances in FY 2015-16 after June meeting)

Budget, staff capacity, cost allocation policy

January 2017

Nature in Neighborhood capital grants – 2016 grant awards and program progress report

April 2017 (combine meeting with a site visit?)

Welcome new members?

Target area progress report – land acquisition

June 2017

Stabilization costs and progress report

Use of unusual circumstances – land acquisition

Budget, staff capacity, cost allocation policy

Discuss annual report issues and recommendations; appoint members to develop draft report