

# Staying on course

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

*The oversight committee believes that Metro has responded well to the challenges of the economic downturn, enabling the Natural Areas Program to continue to meet its goals.*

The past year has been a time of significant economic upheaval for the nation and the Portland metropolitan area. People and programs at every level of the public and private sector have been affected. What impact has the recession had on Metro's Natural Areas Program?

The Natural Areas Program Performance Oversight Committee directed considerable attention to this question during its second year of work. As an independent citizen committee, we provide third-party oversight of the Natural Areas Program to the Metro Council and citizens. Our charge is to determine how well the program is performing and if it is fulfilling the stated goals of the 2006 bond measure that funds it. We help ensure that Metro's work is transparent to the public. We also suggest changes that we think would improve program implementation.

Last year, our first annual report focused on the processes, staffing and outcomes of the program's first full year of operations. Published in October 2008, it also recommended five areas the committee and Metro should direct their attention to in the year ahead.

As designated in the 2006 bond measure, Metro's **Natural Areas Program** acquires and preserves natural areas throughout the region to safeguard water quality, protect fish and wildlife habitat and ensure access to nature for future generations. The program has three components:

**Regional natural areas:** The acquisition of 3,500-4,500 acres from willing sellers in 27 target areas (\$168.4 million).

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

**Nature in Neighborhoods capital grants program:** \$15 million for grants to community groups, nonprofits and local governments for projects that "re-green" or "re-nature" neighborhoods.

As 2008 and 2009 proceeded, it became clear to us that the most critical issue we needed to address was how the program was responding to the altered economic climate, in terms of land acquisition and overall program performance. Much of our time was devoted to this overriding concern: Has the program been able to stay on course? We also reviewed Metro's response to last year's recommendations.

This second annual report covers our work from July 2008 through December 2009. It is grouped into three main areas of inquiry, which together encompass both the topics of interest brought forward from last year and the pressing economic considerations that subsequently arose.



## Last year's committee recommendations

- Strengthen outreach for both land acquisitions and capital grants.
- Learn from every contact.
- Strive for equitable distribution of capital grants.
- Develop additional tools and metrics to help monitor and evaluate the program.
- Think big regarding how to leverage the program with other regional efforts.

### OVERSIGHT COMMITTEE MEMBERS

◆ Peter Krainock (chair)	CEO, American International Supply Inc.
● Dean Alterman	Attorney, Folawn, Alterman & Richardson LLP
● Bridget Cooke	Executive director, Adelante Mujeres
◆ Linda Craig	CPA, Linda S. Craig LLC
◆ Rocky Dixon	Principal, Endeavor Capital
● Christine Dupres	Sustainability officer, Native American Youth and Family Center
● John Esler	Project manager, Portland General Electric
◆ David Evans	Corporate controller, ODS Companies
■ Michele Frank	Executive vice president, asset management, ScanlanKemperBard Companies
◆ Helena Huang	Independent philanthropic consultant
● Kay Hutchinson	Director of programs, REACH
◆ Don Jones	Vice president and manager, Bank of the West, Forest Grove
◆ Anil Raj Krishnamurthy	Associate, development services, Pacific Security Capital
■ Jill Long	Real estate attorney, Lane Powell
■ Lori Luchak	Vice president, Miles Fiberglass and Composites, Inc.
● Sindy Maher	Attorney, Dunn Carney
● Tricia Martin	Holistic health counselor and Food Loyal founder
◆ Jacquenette McIntire	Quality administrator, Max-Viz, Inc.
◆ Segeni Mungai	Member of Metro Committee for Citizen Involvement and community organizer
● Norman Penner	Past president and current board member, Friends of Tualatin River National Wildlife Refuge
◆ David Pollock	CEO, Stormwater Management (retired); director, Ecotrust Forest LLC
■ Sylvia Roll	Real estate broker, Grubb and Ellis
● Dietra Stivahtis	Vice president, Fidelity National Title
● Steve Yarosh	Real estate broker, Irma Valdez Properties

**Term(s) of service:** ◆ 2007-09 and 2009-11 | ● 2009-11 | ■ 2007-09

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## Land acquisition in the current economic climate

The committee was concerned about how the recession might affect land acquisition for the Natural Areas Program. Because acquisitions are based on appraisals of real market conditions, prices changed as real estate values changed. Metro is frequently interested in properties that are not actively on the market, and some potential sellers may consider current prices to be too low to sell. Another issue was whether Measure 49 land use claims and pending urban and rural reserve decisions were slowing the acquisition process. We spent considerable time with Metro's real estate negotiators to discuss the challenges they were facing and how they were responding.

- We found the negotiators to be a skillful, tenacious team. The real estate professionals on our committee commend the level of expertise the team brings to its work.
- The negotiators have worked closely with potential sellers to come to terms with current appraised values compared to values of past years.
- Acquisitions have continued in spite of the recession and delays caused by Measure 49. As a result, Metro's purchases are on track with the program's overall acquisition goal.

*When you approach property owners who don't necessarily have the expectation to sell, you are dealing with people who are prepared to wait out the economy. Acquisition under these circumstances reflects good, sharp negotiating skills. – John Esler*

Metro's response to the following two recommendations from last year also helped strengthen the program's ability to function in this economic climate.

## Strengthen outreach to the public and land owners.

- Metro's communication staff expanded their efforts to communicate the goals and accomplishments of the program. To do so, they used a variety of techniques, including social media, the press, e-mail, tours, events and new signage.
- Metro's negotiators focused on building relationships, providing information and addressing the concerns of property owners.

## Learn from every contact made in regard to land acquisition.

- Committee members with real estate experience noted last year that more can often be learned from transactions that do not close than from those that do. In response, the Metro team is giving greater attention to gathering and discussing data from both successful transactions and unsuccessful approaches.

*It is great to be working with a government entity where people are learning, listening and implementing suggestions from our committee. This is a very good system, with excellent people and leadership who get the job done. – David Pollock*

## Nature in Neighborhoods capital grants program

Last year, we found that the Natural Areas Program had been successfully launched with the right processes and staffing in place to implement the voters' direction. We noted, however, that community response had been slow to the Nature in Neighborhoods capital grants program. We asked Metro to work to increase public interest and participation in that program. This year, the committee met twice with the program's staff and the volunteer

grants review committee to review Metro's response to our recommendations and assess what progress has been made. Our general findings below are followed by our assessment of last year's recommendations.

- Staff has responded positively to the committee's suggestions, and the program has strengthened and developed.
- The independent grants review committee comprises highly qualified people with diverse backgrounds and experience.
- Good project criteria have been developed for evaluating and selecting grant projects.

*An extraordinary amount of time and effort have gone into the capital grants program, and the momentum is building. I am struck by how entrepreneurial and innovative the team has been, and appreciate the flexibility as well as the hard questions being asked about outcomes and measures. – Helena Huang*

## Strengthen outreach for the capital grants program and strive for equitable geographic distribution of capital grants.

- 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.

*People are coming forward and applying for the grants – a very positive reinforcement of Metro's goals. – Segeni Mungai*

*The program is hitting its mark. We need to continue outreach to encourage applications. This could include working with other granting organizations to make sure they know this program is available. – Dean Alterman*

- Most projects in the first round of grants were located on the east side. The second round of grants and third group of applications are more diversified, with a greater geographic distribution throughout the region.

*There has been a real investment of time and effort to do the right thing. Because larger, better organized, better resourced groups may have an advantage, Metro should continue to work with a variety of applicants to ensure broad access to these grants. – Christine Dupres*

## Recommendations

- The capital grants program is on track for now, but the oversight committee would like to meet with the grant review committee members in another year to determine if any changes are needed.
- The oversight committee recommends continued outreach and assistance to encourage applications from organizations of diverse size, type and location in the region.

*The capital grants program is a fantastic model. I like how it models the foundation style of grant giving and how it requires commitment from participants. – Steve Yarosh*

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## Program efficiency and effectiveness

The oversight committee determined last year that the staffing and processes in place during the first year of the Natural Areas Program were serving the stated goals of the 2006 bond measure. We revisited this issue again this year, particularly in light of the region's changed economic circumstances. At each committee meeting, we reviewed expenditures to date. We also reviewed the overhead allocation that Metro assigns to programs.

- Staffing levels and administrative overhead appear to be appropriate. We find that the program is spending tax dollars efficiently.

In addition, the committee considered the status of the following two recommendations from last year.

### Develop additional tools and metrics to help monitor and evaluate the program.

- In the first year, the oversight committee worked with staff to develop performance measures for the land acquisition program. These have now become an integral part of evaluating every land acquisition. Metro continues to refine the performance measures in order to use them to best advantage.
- In year two, the committee focused on crafting a unique model of performance measures for the Nature in Neighborhoods capital grants program. This work is still in progress.
- At the committee's request, Metro has refined the Natural Areas Program financial report to account for the three program components separately.

## Think big.

The oversight committee recommended last year that Metro should think big in considering how best to leverage the Natural Areas Program with other regional efforts. In the ensuing year, Metro has pursued several initiatives to that effect.

- Metro has looked to other regions and cities to see how they have developed their regional parks, natural areas and trails programs, including Chicago, St. Louis, the Twin Cities in Minnesota, and the East Bay Regional Park District in Oakland.
- The Intertwine, a regional system of parks, natural areas and trails, was launched with the support of business leaders and parks directors from districts and municipalities in the region.

*The Portland metro region's history of caring for natural habitat values gives it the capacity to do more to strengthen the ecological benefits of a regional program.*  
– Linda Craig

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## Recommendation

Develop The Intertwine in ways that will encourage the ecological values of the region in addition to recreational and transportation values.

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## Closing remarks

From its beginning, the oversight committee has had the ability to view the Natural Area Program from a variety of perspectives – from a 30,000-foot broad view to a 3-foot close-up – depending on what we feel is necessary. We have reviewed large-scale overall objectives, as well as had lively dialogues with Metro program managers about specific performance measures.

We do not just review reports and ask obligatory questions. Our inquiries and observations are based upon a level of engagement with staff and the program itself that is truly unique. Our meetings take place during three-hour time blocks that allow the type of in-depth involvement that the voters deserve.

With this high level of interaction, Metro listens, makes adjustments and improves. The way the committee functions, combined with the openness and receptiveness of Metro staff, results in a constant stream of small corrections that help the Natural Area Program stay on course.

*The enthusiasm with which Metro staff greeted our suggestions was encouraging. They exhibited a genuine willingness to accept feedback and grow in order to generate an excellent outcome.*  
– Peter Krainock

## 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 web site.

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.

### Web site

[www.oregonmetro.gov/naturalareas](http://www.oregonmetro.gov/naturalareas)

### E-mail

[naturalareas@oregonmetro.gov](mailto:naturalareas@oregonmetro.gov)

### Telephone

503-797-1545

For ongoing information, subscribe to GreenScene, Metro's quarterly guide to great places and green living.

[www.oregonmetro.gov/greenscene](http://www.oregonmetro.gov/greenscene)

## Metro | *People places. Open spaces.*

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines and affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region's economy.

### Metro representatives

**Metro Council President** – David Bragdon

**Metro Councilors** – Rod Park, District 1; Carlotta Collette, District 2; Carl Hosticka, District 3; Kathryn Harrington, District 4; Rex Burkholder, District 5; Robert Liberty, District 6

**Auditor** – Suzanne Flynn

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