

Tualatin Hills Park and Recreation District

2008 Bond Measure / Citizen Bond Oversight Committee

The Tualatin Hills Park and Recreation District (THPRD) is the largest special park district in Oregon. It spans approximately 50 square miles and serves more than 200,000 residents in northeastern Washington County. THPRD owns or manages more than 200 parks, 60 miles of trails and 1,300 acres of nature preserve.

In 2008 THPRD, with input from a Bond Task Force, developed a \$100,000,000 bond measure to fund a recommended list of land acquisitions and projects. Bond funds were to be used for present and future needs throughout the district, and included six major components: Park Additions and Upgrades, Natural Area Preservation, Trail Expansions, Youth Athletic Field Additions, Building Expansions and Facility replacements and Upgrades.

Bond Measure 34-56 "Bonds to Preserve Natural Areas, Water, Improve Parks, Create Trails" was approved by a public vote on November 4, 2008. Sale of the bonds was accomplished in two phases. Bonds totaling \$58,500,000 were issued in April 2009 at an effective interest rate of 4.19%, and the balance of the bonds with a face amount of \$40,060,000 was sold on September 16, 2011 at an effective interest rate of 3.25%. Projected costs to district taxpayers are discussed on THPRD's website at <http://www.thprd.org/news/news.cfm?id=1272>.

The Bond Measure included provisions for a citizen oversight committee and required yearly independent financial audits. Fulfilling this promise, THPRD's Board of Directors established the Citizen Bond Oversight Committee on December 8, 2008 by Resolution No. 2008-15. The resolution states "The purpose and authority of the Committee is to ensure that the THPRD Parks Bond Capital Program meets the objectives of the Bond Measure and funds are expended as promised, with a focus on overall delivery of Bond Measure obligations and "not the details of specific projects or activities." The Committee was directed to report annually to the Board and the public regarding conformance with stated Bond Measure objectives; and, to make recommendations, if any, for improving the Bond Program efficiency, administration or performance. The Committee does not design projects, approve project designs, or supervise any THPRD activities. Committee recommendations must have the support of a majority of Committee members.

The Board solicited applications, selected members, and the Committee met initially in May 2009. The Committee's first report was delivered to the Board in November 2010, and is available in its entirety on the THPRD website, at <http://www.thprd.org/bondprojects/home.cfm>. The first Committee report discussed progress through June 30, 2010, focused on: (I) General Objectives and Strategies to implement the bond measure; (II) Promises Made, examined by project category; (III) Accomplishments; (IV) Recommendations; and (V) Looking Ahead. Recommendations were made regarding comprehensive project reporting, tracking project staff time, development of performance measures and strengthening communications to increase public understanding of Bond Measure progress.

Citizen Bond Oversight Committee 2011 Report

This is the second annual report of the Tualatin Hills Park and Recreation District Citizen Bond Oversight Committee. The Committee's charge is to ensure that THPRD expends the 2008 Bond Measure's funds as intended, and accomplishes the results it projected when the 2008 Bond Measure was approved by voters. The Committee meets quarterly with staff, who present reports on bond project status, finance, and events of consequence such as new land acquisitions. The reports include explanations of meaningful deviations from the project schedules, shifts in project budgets or changes in project scope.

This report covers the time period from July 2010 through June 2011, the most recent budget year for THPRD. The table below summarizes overall use of Bond Program funds to date. The sections which follow explore each of the bond categories in more detail.

FY2009-2011 BOND PROGRAM FINANCIAL SUMMARY (\$ in thousands)

PURPOSE AND PROMISES MADE:	Initial Bond Program Allocation	Adjusted Bond Program Allocation	Expended Thru 6/30/2011	Balance as of 6/30/2011
EXPENDITURE CATEGORIES				
LAND ACQUISITION				
New Neighborhood Parks	\$9,000.0	\$9,086.3	\$3,741.5	\$5,344.8
New Community Park	\$10,000.0	\$10,096.8	\$8,094.0	\$2,002.8
Natural Area Preservation	\$8,400.0	\$8,481.4	\$205.8	\$8,275.6
New Linear Park & Trail	\$1,200.0	\$1,211.6	\$688.8	\$522.8
New Community Center SW	\$5,000.0	\$5,048.5	\$590.0	\$4,458.5
Total	\$33,600.0	\$33,924.6	\$13,320.1	\$20,604.5
PARKS AND YOUTH ATHLETIC FIELDS				
New Neighborhood Park Development	\$3,750.0	\$4,930.9	\$166.7	\$4,764.2
Renovate/Redevelop Neighborhood Parks	\$3,000.0	\$3,763.2	\$276.6	\$3,486.6
Develop New Community Park	\$5,000.0	\$7,786.2	\$2.1	\$7,784.1
Renovate/Redevelop Community Parks	\$7,000.0	\$9,886.9	\$563.9	\$9,323.0
Youth Athletic Field Development	\$5,000.0	\$3,114.0	\$458.2	\$2,655.8
Synthetic Field Development	\$4,000.0	\$0.0	\$0.0	\$0.0
Outdoor Splash Pad	\$525.0	\$0.0	\$0.0	\$0.0
Total	\$28,275.0	\$29,481.2	\$1,467.5	\$28,013.7
NATURAL AREA RESTORATION	\$3,600.0	\$3,799.2	\$137.5	\$3,661.7
NEW LINEAR PARK & TRAIL DEVELOPMENT	\$14,745.0	\$15,201.9	\$1,872.5	\$13,329.4
DEFERRED PARK MTCE. REPLACEMENTS	\$1,500.0	\$1,459.5	\$1,168.4	\$291.1
FACILITIES REHAB, EXPANSION & IMPROV				
Facility Rehabilitation	\$6,500.0	\$6,282.2	\$700.6	\$5,581.6
Facility Expansion & Improvements	\$7,550.0	\$8,290.2	\$1,970.8	\$6,319.4
Total	\$14,050.0	\$14,572.4	\$2,671.4	\$11,901.0
ADA/ACCESS IMPROVEMENTS	\$1,000.0	\$1,037.8	\$59.5	\$978.3
BOND ISSUANCE COSTS & PROJECT MGMT	\$3,230.0	\$1,450.0	\$85.4	\$1,364.6
TOTAL	\$100,000.0	\$100,926.6	\$20,782.3	\$80,144.3

Bond Program Financial Summary Comments

- **Adjusted Bond Program Allocation Column** –There are three primary reasons for the changes in this column. They are: Project Grouping Adjustments to the Parks and Youth Athletic Fields expenditure categories to allow management and contractual development of these projects to move forward in tandem, other Project Management Adjustments and Interest Earned.
- **Project Grouping Adjustments** –Specific adjustments were: Increases of \$6,650,800 in the New/Redeveloped Neighborhood and Community Parks category and \$60,000 in the Natural Area Restoration expenditure category. Reductions were: \$6,000,000 in the Youth Athletic Fields category, \$95,000 in the Trails and Linear Parks category, \$90,800 in the Deferred and Park Maintenance and Replacements category, and \$525,000 in the Facilities Rehabilitation, Expansion and Improvement category.
- The close relationship between park and athletic field development created a need to simplify the management and funding of these facilities contemplated by the 2008 Bond Measure. Consequently, some Park Improvement projects and related Youth Athletic Field projects have been merged from a management perspective. After discussion with THPRD staff, New/Redeveloped Community, Neighborhood Parks and Youth Athletic Fields were consolidated into one expenditure category, Parks and Youth Athletic fields. The Committee will continue to track total expenditures for Youth Athletic Fields relative to the initial Bond Program allocation.
- **Project Management Adjustments** –Based on an accounting policy choice by staff and the Board, \$1,780,000 was transferred from Bond Issuance Costs and Project Management and distributed to all projects except for Land Acquisition. This transfer was made to achieve proper accounting of these costs whereby they are included in the project costs and capitalized as part of the cost of the asset. Through June 30, 2011, \$665,000 has been expended on project management for all Bond projects.
- **Interest Earned** - Through June 30 a total of \$926,500 of earned interest on invested bond funds has been proportionately redistributed to all projects except for the Bond Issuance Costs and Project Management expenditure category.
- **Other Funding** – Through June 30, 2011, other funding sources have been used to provide additional revenue for four projects, which are not included in the Financial Summary. Camille Park - Local Government Grant Pool award of \$70,000 towards installation of play equipment, a picnic pavilion and site furnishings; Schiffler Park-Land/Water Conservation Fund award of \$40,000, and \$50,000 of System Development Charge funds to remove an old picnic pavilion and replace it with a 30' x 40' structure; Winkelman Athletic Field-the Board authorized up to \$400,000 in System Development Charge funds to be expended for additional site amenities such as a dog park and parking lot; Cobb property acquisition for a neighborhood park site in the southeast quadrant of the district (SE corner of Sexton Mtn. Drive and Murray Blvd.) - \$300,000 of City of Beaverton 2006 Metro Bond Measure local share funds to assist in acquisition.

Bond Program Organization and Policies

During 2009 and 2010, the THPRD Board and staff engaged in intensive planning and structuring of Bond Measure projects, establishing priorities, and developing financial and operational principles to guide the staffing, contracting and public communications needed to accomplish Bond objectives. The Board established fundamental guidelines to be followed, while additional staffing needs were identified and a list of appropriate contractors was created.

Some of the decisions made in this process, as discussed in the Committee's 2010 report, were:

- **Work accomplished in parallel**—The combination of a variety of complex Bond projects and a federal taxlaw requiring that 85% of the bond proceeds are expected to be spent within the first three years following bond sale necessitated a planned strategy by THPRD to implement projects in parallel.
- **Prompt land acquisition efforts** - Land acquisition efforts were a high priority and were initiated immediately to use funds promptly, to address statutory requirements for timely bond expenditures. As discussed later, for various reasons land acquisitions have been few to date, resulting in somewhat slower than anticipated use of bond funds for this purpose.
- **Financial management policies**—THPRD, in collaboration with the Committee, developed policies for managing various project funding changes or adjustments to guide accounting for projects and project categories.
- **Geographical distribution** – THPRD adopted the general principle of distributing land acquisition and other projects throughout the district as described by and consistent with the bond measure informational materials. Where individual projects are not targeted to specific locations (such as Natural Area Restoration), the Committee continues to monitor for appropriate distribution throughout the district.
- **Sustainable practices** – THPRD has established benchmarks and targets for its carbon footprint and reviews bond project designs for impact on this footprint. THPRD developed a financial and sustainability costing model, resulting in a new program which called for the project planning staff to develop sustainable material standards for construction projects.
- **ADA Accessibility** - THPRD's Comprehensive Plan calls on THPRD to "ensure access to Park District facilities for people with disabilities that is consistent with the Americans With Disabilities Act." In addition to bond projects specifically focused on ADA access improvements at certain facilities, THPRD is incorporating ADA accessibility into bond projects wherever possible.
- **Wetland Mitigation** - Much of THPRD's property is located along creek corridors, wetlands or other low-lying areas. Development often causes negative impacts to these sensitive areas, and Federal, State, and local law requires such impacts to be mitigated. THPRD fully complies with these regulations, but compliance can result in schedule delays. This is discussed later in this report in more detail.
- **Permitting and Inter-Agency Complications**— Construction in parks or restoration work in natural areas often uncovers unforeseen regulatory issues that require analysis, special permits, or inter-governmental cooperation before projects can proceed and be completed. Staff manages these complexities, but schedules are often revised in response.
- **Public Communication and Involvement** – THPRD invests some administrative bond funds in its communications program, to let patrons know when they are seeing a Bond project in progress, or using a facility built by a Bond project. THPRD produces

brochures and informational materials about bond projects, and posts very visible signs at facilities when projects are underway, and when completed. Web information is provided to educate the public about progress on Bond projects. Special events, community presentations, and news media outreach are also used to communicate with the public.

Bond Program Current Year Activities

In the last half of 2010 and the first six months of 2011, THPRD moved from preliminary planning into implementation of various Bond projects. Some projects and acquisitions have been completed, others are underway, and still others have seen schedule delays, scope changes, or seasonal schedule adjustments. The following sections of this report describe the accomplishments and challenges of this ambitious Bond Program in its third year of activity, and discuss activity in each project category.

Land Acquisitions

Land acquisitions proposed in the Bond measure involved five categories: New Neighborhood Parks, a new Community Park for the northeast quadrant of the district, a Community Center for the southwest quadrant, Natural Areas, and Linear Parks and Trails. In practice, there has been some overlap in these areas. Total proposed land acquisition cost was \$33,600,000, all from the first bond sale installment. Estimated land acquisition costs were: Parks and Community Center- \$500,000 per acre; Natural Areas- \$10,000 per acre; Linear Parks and Trails - \$150,000 per mile. Costs include the property purchase price, consultant costs for appraisers, appraisal review, environmental review, title and other closing costs, removal of debris, existing structures or hazards and the hourly rate charged by the Land Acquisition Specialists. It is THPRD policy to offer the property owner no more than the appraised market value unless there are significant reasons for a higher offer. Appraisals are made and then reviewed by a second MAI certified appraiser.

The Board made a strategic decision to focus on park land acquisition first because of the need to buy large parcels of buildable land otherwise suitable for immediate urban development, as opposed to land suitable for natural area restoration and preservation or trails, which would be less likely to be immediately buildable or developable due to topographical or environmental restrictions.

Properties acquired for new parks and a community center will not be developed from Bond proceeds. Timing for completion and development of these properties is indefinite. Bond proceeds are intended to provide for development of some, but not all, areas acquired for trails and linear parks and are intended to provide for restoration of many of the areas acquired for natural area preservation.

As of June 30, 2011 property acquisition costs from bond proceeds were:

<u>Category</u>	<u>Initial Budget</u>	<u>Spent as of 6/30/11</u>
New Community Park	\$10,000,000	\$8,094,046
Community Center	\$5,000,000	\$589,963
Six New Neighborhood Parks	\$9,000,000	\$3,741,467
Natural Areas	\$8,400,000	\$205,845
Linear Parks and Trails	<u>\$1,200,000</u>	<u>\$688,449</u>
Total:	\$33,600,000	\$13,314,270

Park Land Acquisition

THPRD planned to acquire sites for a new community park in the NE quadrant of the district, at an estimated cost of \$500,000 per acre; six new neighborhood parks, at least one in each quadrant of the district, each one at an assumed size of three acres and a cost of \$500,000 per acre; and one site for a new community center and recreation facility in the SW quadrant at an estimated cost of \$500,000per acre.

As of June 30, 2011 land purchases had closed for the new NE community park, (Teufel property, \$8,090,946 for 23 acres, \$348,000 per acre), and sites for neighborhood parks in the Southeast and Southwest quadrants at acquisition costs to THPRD of \$2,555,536 (for 8.66 acres) and \$1,049,158 (for 6.67 acres), respectively. The average price for neighborhood parks was \$235,140 per acre, less than one half the original estimates, but the property sizes were larger than the original target. As there is some risk of over-spending in this category, the Committee will continue monitoring this category closely.

Subsequent Events

At its June 20, 2011 meeting, the Board authorized acquisition of a property in the North Bethany area for part of a future neighborhood park to serve that area, using bond funds designated for acquisition of a neighborhood park as well as Metro local share funds. That land acquisition closed on September 1, 2011. The property is 7.59 acres on the east side of Kaiser Road in an area designated in the Washington County North Bethany Concept Plan for a future community park. The property was acquired for \$2,428,000 (\$320,000 per acre) of which \$850,000 came from THPRD's local share of Metro bond funds.

At its August 8, 2011 meeting, the Board approved the acquisition of two properties for a new neighborhood park in the northeast quadrant of the district. Staff continues to pursue active negotiations for properties in the Northeast, Northwest, and Southwest quadrants.

Some bond funds have been spent toward establishing a Community center in the SW quadrant. THPRDacquired a property south of the Tualatin Valley Highway which would allow needed access to a larger property which THPRD is still negotiating to buy. The property acquired was being actively marketed and staff felt it might be lost to another buyer if they didn't act. Negotiations are continuing on the larger parcel and it is possible that this larger property will not be acquired. In that event it is intended to sell the property already acquired, with proceeds going back into the bond fund for other acquisitions.

Land Acquisitions for Natural Areas and Linear Parks and Trails

As of June 30, 2011, \$205,845 out of a budgeted \$8,400,000 bond funds had been spent for natural area land acquisition. Acquisitions as of June 30, 2011 involved properties fitting into both the natural area and trail expenditure categories, but also involved park sites. Such overlapping may or may not occur in the future, depending on the characteristics of each specific parcel. Sites acquired for other purposes along with natural areas include the 114th Street property discussed below, the Teufel property (NE community park site), the Sterling Savings site (SW neighborhood park site), and the Nguyen property (NW trailhead site). Issues raised by such acquisitions are discussed in the Summary Comments, Recommendations, Future Work section of this report

On April 14, 2011, THPRD acquired a vacant 0.76-acre site adjacent to 110 NW 114th Avenue for \$340,000 (the appraised value). This property was being actively marketed and, if not acquired by THPRD, would likely have been eventually acquired for development with a residence. This wooded upland parcel has value as a natural area and also closes a gap in the corridor for the Cedar Mill Creek Community Trail. The acquisition cost was allocated equally between the Linear Parks/Trails and the Natural Areas categories. This property is located adjacent to a property presently owned by THPRD overlooking a pond on Johnson Creek. Land to the west of the site across 114th has been improved with a nature trail by Polygon Northwest as part of their Timberland project. This trail will soon be given to THPRD to add to the Cedar Mill Creek Trail. When funding becomes available, it is anticipated that the trail will be continued through this parcel to connect to Foege Park.

On April 26, 2011, THPRD acquired, for \$60,000, a 10 foot wide trail easement over a portion of a developed single-family residential lot located along the east side of SW 150th Avenue and adjacent to the west side of Roy Dancer Park. THPRD plans to develop a soft-surface trail on this easement to provide more convenient pedestrian access to Roy Dancer Park for residents of neighborhoods to the west and north of the park including the Four Seasons Neighborhood. Trail development will occur in conjunction with development of the park, presently scheduled for 2013.

Criteria for Natural Areas Land Acquisition

Based on the THPRD Natural Resources Management Plan, and according to the THPRD Natural Resources Department, the following criteria guide acquisition of natural areas using bond funds. All criteria need not be met for a particular acquisition:

- Key Reasons To Acquire Property -connectivity to other natural areas; rare plant/animal communities; high quality habitat or high restoration potential; possibility of patron access/education; area large enough to sustain healthy plant/animal populations.
- Reasons Not To Acquire Property - the property is unlikely to change in condition whether THPRD owns it or not (example, many narrow riparian corridors that are off limits to development); THPRD has limited ability to maintain it (example: covered with highly invasive plants, extremely steep, limited access, including landlocked properties); unstable slope/soil conditions within site; potential negative impact to neighboring properties (water, tree, or soil issues); contamination from past use that is not reasonable to clean up.

General Observations about Land Acquisition

- Use of bond funds for property acquisition has been slower than originally anticipated, although the pace of acquisitions has recently increased. This should be further improved by THPRD's hiring of an additional part-time land acquisition specialist.
- Costs per acre for neighborhood parks and the community park have been substantially lower than the original assumptions; however, some of the sites acquired for neighborhood parks have been larger than originally assumed. This has created a potential shortfall in funds for further neighborhood park acquisitions.
- The Board has a general practice of acquiring property from owners voluntarily willing to sell their property to THPRD. The pace of acquisitions and the size of the parcels available are therefore controlled by the individual decisions of property owners. These are factors which THPRD cannot predict or control.
- The current economic situation has caused substantial decreases in the price per acre paid for land. In many cases owners are unwilling to sell at current prices, and anticipate higher prices in the future. On the other hand, some foreclosed properties are available from lenders, who generally are more willing to sell now.
- THPRD initially concentrated its efforts on acquisition of park sites, and the majority of those acquisitions have been completed.
- Acquisition of land for trails and natural area preservation has progressed more slowly.
- Acquisition of easements for trails, which generally are not expensive, has been pursued actively. These easements are often located on utility rights-of-way, and it takes time to work through the various legal requirements, including careful definition of acquisition areas and permissible uses.
- Purchase of parcels allocated both to trails and natural areas has made it difficult to determine if the purchase price was above or below the average budgeted price for that category.

Community and Neighborhood Parks – Youth Athletic Fields

The THPRD standard for a Neighborhood Park is about 3 acres. The target for Community Parks is between 10 and 25 acres. Park amenities depend on the size of the site, but Community Parks usually offer larger facilities such as sports fields, sheltered group picnic areas, on-site parking and restrooms.

In some cases, Youth Athletic Fields allocated funds have been combined for efficiency with Community and Neighborhood Park allocated funds. Careful monitoring is necessary to track the Park and Youth Athletic Field expenditure categories to ensure consistency with Bond Measure commitments.

New Neighborhood Park Development – The Bond Program goal is to construct five new Neighborhood Parks. AM Kennedy and Barsotti Parks include funding (\$500,000 each) for a

youth athletic field. Construction is expected to be completed on AM Kennedy Park during the last quarter of CY2012, 4th quarter of 2012 for Hansen Ridge (formerly Kaiser Ridge), CY2014 for Barsotti, and CY2015 for Roy Dancer and Roger Tilbury Parks.

Renovate/Redevelop Neighborhood Parks – The Bond Program goal is to renovate or redevelop five parks. Camille Park is ahead of schedule and should be completed in early 2012. Pioneer Park, including bridge replacement, and Vista Brook Park should be completed in 2012. Cedar Mill Park including trail is scheduled for construction in 2013 and Somerset West Park is scheduled for construction in 2014. Funding (\$500,000) has been transferred to Cedar Mill Park for a new Youth Athletic Field.

New Community Park Development – SW Community Park is scheduled to begin construction in CY 2015 and be completed in CY 2016. Funding has been transferred to this park for both a regular youth athletic field (\$500,000) and a synthetic field (\$2,000,000).

Renovate & Redevelop Community Parks - Construction will begin on Schiffler Park in spring 2012. Cedar Hills Park is scheduled to begin construction in CY 2014. The Cedar Hills Park project includes a new synthetic athletic field (\$2,000,000) and a splash pad (\$525,000).

Meadow Way Park -This park has been completed. The athletic field for this park was completed under budget by a tentative amount of \$113,000.

Winkelman Park - The Winkelman Athletic field is scheduled for construction in CY 2012. Current cost estimates for this park exceed the current budget by \$833,000. The THPRD Board has approved supplementing this project with up to \$400,000 from its System Development Charge fund because of additional site amenities not included in early planning efforts. After subtracting this additional commitment, Winkelman Park remains \$433,000 over budget. This construction cost increase is attributable to more refined construction quantities and costs, greater costs for earthwork, additions of a waterline, path and trail work, higher quality fencing, site furnishings, a dog park and under drainage for the athletic field.

Youth Athletic Fields in Other Park Quadrants -- A potential site for a new field in the NE quadrant of the district has been identified. If acquired, construction is scheduled to begin in CY 2013. New fields in the NW, SW and SE quadrants are scheduled for construction in CY 2014 for NW, CY 2016 for SW and CY 2015 for SE. Adjusted available funding for the six remaining fields in this category (including Meadow Way and Winkelman Parks noted above) is \$3,114,000. Through June 30, 2011, \$458,200 (14.7%) has been spent in this development category.

Natural Area Land Acquisition and Restoration Projects

Restoration projects financed by the Bond Program are focused primarily on removal of invasive non-native plants and include efforts to promote wildlife habitat with native plants and other wildlife enhancement techniques. The Natural Resources and Trails Management Department has employees who work both on bond projects and projects not funded by the bond measure. Some work is contracted out through a request for bid (RFB) process.

Although this department has achieved some significant progress on certain specific projects, overall, progress has been slow in achieving the goals promised in the bond measure for Natural Area Restoration and Land Acquisition for Natural Areas.

- The 2008 Bond Measure materials indicated to voters that \$3,600,000 would be spent on Natural Area Restoration. To date only \$137,465 has been spent.
- The 2008 Bond Measure materials indicated to voters that \$8,400,000 would be spent for Land Acquisition of Natural Areas. To date only \$205,845 has been spent.
- As of June 30, 2011, none of the Natural Area Restoration bond projects have been completed.

Progress and Delays in Natural Area Restoration Projects

The following is the schedule status for Natural Area Restoration projects as of June 30, 2011:

- Cedar Mill Park, Kaiser Ridge Park, Pioneer Park, Fanno Creek project - adjusted; plans not yet scheduled to start.
- Vista Brook Park, Greenway Park/Koll Center - adjusted; pushed back one year
- Murrayhill Park - adjusted; extended for second planting in early 2012;
- Winkelman Park - project accelerated to coincide with Athletic Field project
- Lowami Hart Woods, Jenkins Estate, Allenbach Acres - adjusted; delayed
- Newly acquired properties: Since natural area acquisition has been slower than anticipated, no funds have been expended for restoration of new properties.

Most Natural Area Restoration projects are estimated to take five years to complete. Project schedules include project preparation (planning), design of site, seasonal delays, planting, establishment of plants, establishing an interpretive sign network, and monitoring for success, which includes taking care of plants and weeds to ensure long-term survival for up to three years after initial planting.

When delays to scheduled projects have occurred, they have most frequently been due to adjustments required for coordination with other projects and other departments, requirements imposed by other government agencies, or changes requested by the public or the Board.

Trails / Linear Park Projects

Nine Trail and Linear Park projects have been identified for planning and implementation. One project has been completed. Three projects are ahead of schedule. Four projects have been delayed beyond their original schedules for various reasons. One funded project is intended to implement unspecified improvements in various areas of the district where additional natural trail opportunities are identified. The delays associated with the projects that are beyond their

original schedules have been caused by a variety of factors caused by increased project knowledge and coordination that became apparent during the beginning assessments of these projects.

Factors that resulted in delay are summarized as:

- Longer than expected jurisdictional land use, environmental and traffic reviews
- Revised scope of work due to the inability of THPRD to acquire planned land for trail or park extensions
- Need to acquire construction staging areas
- Unexpected drainage and environmental issues
- Need for alternative trail alignment analysis in environmentally sensitive areas
- Need for trail easements and right-of-way crossing approvals from coordinating public agencies

Trail and Linear Park projects are summarized as follows, showing which projects have been completed, which projects are ahead of schedule and which projects have been delayed. Consistency with estimated costs is also indicated. The locations of these projects are shown on Figure X.

- Westside Trail – Segments #1, 4, & 7 – Ahead of Schedule
Under Budget, est. \$739,466 (Budget: \$4,307,511, expended to date: \$369,784)
- Jordan /Husen Park Trail – Delayed
Under Budget, est. \$218,473 (Budget: \$1,660,341, expended to date: \$ 225,734)
- Waterhouse Trail Segments 1, 5 and West Spur – Ahead of Schedule
Under Budget, est. \$242,704 (Budget: \$3,840,213, expended to date: \$416,592)
- Rock Creek Trail #5 & Allenbach , North Bethany #2 – Ahead of Schedule
Over Budget, est. \$103,997 (Budget: \$2,283,556, expended to date: \$381,158)
Over budget due to environmental complexity, neighborhood issues and intergovernmental coordination resulting in additional consulting, staff coordination and construction costs.
- Miscellaneous Natural Trails – Projects To Be Determined, Delayed
(Budget: \$100,969, expended to date: \$3,250)
- Nature Park – Old Wagon Trail – Completed
Under Budget, est. \$123,875 (Budget: \$362,563, expended: \$238,688)
- NE Quadrant Trail – Bluffs (Phase 2) – Delayed
Under Budget, est. \$2,486 (Budget: \$259,536, expended to date: \$ 26,937)
- Lowami Hart Woods – Delayed
Over Budget, est. \$23,096 (Budget: \$830,034, expended to date: \$186,078)

Over budget due to neighborhood concerns resulting in Master Plan Revision and need for additional consulting and staff time.

- Westside – Waterhouse Trail Connection - Delayed
Under Budget, est. \$14,896 (Budget: \$1,557,196, expended to date: \$24,234)

Overall, the projects within this Bond Program category are within the overall estimated project budget for this category, with all combined actual and estimated project costs approximately 8% below the original estimated costs for these projects. THPRD staff has been working to overcome the factors that have delayed several projects, and those projects will be moving ahead as soon as these factors have been resolved.

Deferred Park Maintenance and Replacements

Approximately \$1.5 million of bond funds were allocated to deferred park maintenance projects. The bulk of the funds in this category are allotted for bridge/boardwalk replacements and the introduction of permeable parking lots. All of the projects in this category have been fast-tracked and most are progressing or have been completed in a shorter amount of time than their initial schedule.

Overall, nine projects were identified, with five projects completed as of June 30, 2011. The play structure improvements projects at 11 sites are in various phases of implementation and are expected to come in under budget by over \$66,000. The Hartwood Heights bridge project was cancelled due to low usage and a determination that the existing bridge could be repaired. The permeable parking lot at Sunset swim center is moving from the design development phase to construction documents. The Willow Creek project had a major scope change to include complete resurfacing and is in construction phase.

The Deferred Park Maintenance and Replacements category has spent \$1,168,400 or 80 percent of its total budget through June 30, 2011. The category is expected to be over-expended by approximately \$4,000 plus any overruns on the Sunset permeable parking lot once all projects are completed. Significant cost overruns include \$21,000 at Jenkins Estate due to a scope change to replace 2 bridges rather than one, \$33,000 at Aloha Swim center caused by increased concrete work and added parking spaces, and \$35,000 for the Willow Creek bridge/boardwalk project. The Sunset Swim Center permeable parking lot will be closely monitored as it may go over budget as design/development is completed.

Facility Rehabilitation, Expansions, and Improvements

Facility Rehabilitation

The Facility Rehabilitation category is comprised of 16 projects, focusing on structural upgrades to improve egress in existing buildings in case of earthquake. Of the \$6.3 million allotted to this category, \$701,000 or 11 percent has been spent to date. Three small projects have been

completed along with the Sunset swim center pool which was 43 percent (\$220,000) under budget.

Eight of the projects were in construction document stage as of June 30, 2011. At June 30, the project category is showing an overall under budget of \$218,000. As bids are received and bid awards made from the projects in construction document phase, updates to expected costs as well as budget over/under funding will occur. Many of these projects at each site are collections of separable tasks so that depending on the bids, the project scope can be adjusted to keep the category within overall dollar allotment.

Facility Expansion and Improvement

The Facility Expansion and Improvement project group includes \$8.3 million for improvements at existing facilities. There are five projects in the category, of which the three smaller ones have been completed. ADA dressing rooms at Aloha and the Aquatics Center have been completed as well as the Athletic Center HVAC upgrade. Bids have been awarded and revisions to budgets made on the Elsie Stuhr Expansion and structural improvement (\$2.0 million), and the Conestoga Recreation/Aquatics Center Expansion and Splash Pad (\$5.6 million). Staff believes the contingency for the projects is sufficient; and, in fact, progress through September, 2011 has resulted in a \$202,000 net reduction in the estimated project costs leaving the category under budget by \$245,000. Close attention will continue to be paid to potential change orders and scope changes determined to be necessary. Completion of the two larger remaining projects is expected in 2012.

As of June 30, 2011 a total of \$1.971 of \$8.3 million, or 24% of total budgeted dollars had been expended in this category.

ADA Access Improvements

This category includes 14 specific projects. A total of \$1M was allocated to these projects. At present there are no indications that the category will exceed its budget.

As of June 30, 2011, two smaller projects had been completed, at Bethany Lake Park and Lawndale Park. Two other projects (Lost Park and Waterhouse Powerline Park) have been folded into Play Structure replacement projects in those parks. The Lost Park project is anticipated to be complete in August 2011, while the Waterhouse project is delayed due to unexpected environmental issues.

Most of the other projects are in the Construction Documents phase, with anticipated completion in late 2011 or early 2012. The project at Greenway Park is as yet unscheduled. The largest project, at the HMT recreation complex, is scheduled for completion in 2014.

Project Management, Bond Issuance Costs, Accounting

The goal for this category is 3% of the \$100,000,000 Bond Measure. As of June 30, 2011 actual expenditures were \$750,400, less than 1% of Total Program Allocation. This category of expenditures is expected to be higher during the implementation phases of a project and

decrease as the project gets underway through completion. Project management costs comprise Planning and Natural Resource staff time spent on each project (other than Land Purchases) including temporary personnel hired for the duration of bond funding (other than Land Purchase). THPRD transferred \$1,780,000 of the Initial Project Management and Bond Issuance Costs Category to all projects (other than Land Purchases) based on individual project budget amounts to the total project budget. THPRD's accounting system tracks these costs for each individual project. Based on an accounting report provided by THPRD staff, total Project Management costs through June 30, 2011 totaled \$665,000, and Bond Issuance and Administrative costs totaled \$85,400.

Summary Comments, Recommendations, Future Work

Prior Year Recommendations

In the 2010 report, this Committee recommended that THPRD develop a stronger set of reporting tools to facilitate the Committee's responsibility for ensuring the appropriate use of bond funds. Staff worked closely with the Committee to develop those enhanced reporting tools, which have proved very helpful in seeing progress and understanding issues.

The Committee recommended that staff and management time be more accurately accounted for in project budgets. This has been done by allocating funds dedicated for overhead to individual projects.

The Committee recommended additional work on performance measures. While THPRD has its own set of performance goals and targets, the Committee has not yet developed a set of measures to use for its own analysis of Bond Program projects. This is work yet to be completed.

The Committee recommended continued work on community outreach regarding bond projects and results. This has been done by THPRD, and continues.

The Committee recommended a strong focus on land acquisition projects, and THPRD has responded by increasing staff and consultants dedicated to those projects. Initial results have been encouraging, as properties have been acquired at a higher rate in this fiscal year than in the last. This remains an area for close attention and monitoring.

The Committee challenged itself to visit project sites and confirm implementation of projects. One tour of Bond projects and acquisitions with Board members has taken place to date, and more are anticipated.

Recommendations for Next Year

The Committee recommends additional attention to land acquisition for natural area preservation. While the reasons for delay in these acquisitions are understandable, it is important that THPRD make progress on all categories of acquisition. The additional specialist hired by THPRD is a positive sign in this direction.

The Committee recommends additional attention to natural area restoration projects. Progress in this category has been limited to date. Some of the projects are linked to larger construction projects or acquisitions and delays on these underlying projects cause delays for the Natural Area restoration project that are outside the control of the Natural Resource Staff. The Committee will pay close attention to this category in coming years.

The Committee will need to monitor spending, progress, and results for the park projects into which athletic field funds have been combined, to ensure that appropriate amounts have been spent on those fields, even though on an accounting basis they have been merged with park development projects.

THPRD will need to account carefully for land acquisitions which generate results in more than one category, such as parks, trails, and natural areas. THPRD has been appropriately opportunistic in pursuing properties that satisfy multiple needs, but the accounting should be more detailed by category.

THPRD will need to develop a plan for remedying the over-spending of Neighborhood Park Land Acquisition funds on some larger-than-anticipated properties. Those acquisitions were strong and opportunistic selections, but they raise bond fund allocation issues that need to be resolved.

The Committee will note instances where a project exceeds its budget and other sources of funding are applied to complete the project. While this is a reasonable outcome for complex projects with unexpected changes, it will be important to closely monitor the promised allocation of bond funds to specific project categories.

The Committee will continue to work with staff on accurate project status and budget reporting, project performance measures, and overall bond progress reporting. This will include more on-the-ground review of project results.