

**Tualatin Hills Park & Recreation District
Bond Oversight Committee
First Report on 2008 Bond Program Implementation**

October 28, 2010

Introduction

The Tualatin Hills Park & 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. The District 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 million bond measure to fund a recommended list of projects. The measure addressed present and future growth and recreational needs based on District plans, community input, polling, and cost considerations. Bond funds were to be used for improvements and land acquisition throughout the District. The measure included six major components: Park Additions and Upgrades, Natural Area Preservation, Trail Expansions, Athletic Field Additions, Building Expansions, and Facility Replacements and Upgrades.

Bond Measure 34-156 “Bonds to Preserve Natural Areas, Water, Improve Parks, Create Trails” was passed by public vote on November 4, 2008. It included a provision to establish a citizen advisory committee and required yearly independent financial audits.

Fulfilling this promise, THPRD’s Board of Directors adopted Resolution No. 2008-15 on December 8, 2008, establishing the THPRD Parks Bond Citizen Oversight Committee (the Committee). This resolution states “The purpose and authority of the THPRD Parks Bond Citizen Oversight Committee is to ensure that the THPRD Parks Bond Capital Program meets the objectives of the Bond Measure and that 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 Board directed the Committee to report annually to the Board and the public regarding progress in meeting stated objectives of the Bond Measure, and to make recommendations, if any, for improving the Bond Program efficiency, administration or performance. The Board also directed the Committee to provide advice on appropriate processes for assuring THPRD patrons that bond funds are spent wisely.

The Board solicited applications, selected members, and the initial Committee orientation meeting was held in May 2009 to review procedures, policies, and outcomes.

This first Committee report is being issued less than two years into implementing the bond measure. It discusses progress through June 30, 2010, some concerns for the future, and next steps. Later reports are planned annually. This first report focuses 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.

General Objectives and Strategies

Since voter approval of the bond measure in November 2008, the projects and facilities promised by the Bond Measure have been the priority of THPRD's Board and staff. They have committed time, energy, staffing, and resources to meeting, and if possible exceeding, public expectations. From the beginning, the Board and staff set priorities and timelines to: (a) structure the bond sale; (b) program and schedule capital improvements and land acquisition; (c) determine the best ways to communicate with area residents; (d) staff project management; (e) determine when and how to hire consulting firms, and (f) structure appropriate contracts.

Using the recommended project list approved by voters, THPRD refined priorities and criteria for specific land acquisition, construction, and improvement projects based on:

- Comprehensive Plan goals and objectives
- Trails Master Plan
- Natural Resources Management Plan
- Athletic Fields Needs Assessment Study
- Sustainable practices
- Americans with Disabilities Act (ADA) access

THPRD used these criteria to choose specific parks, natural areas and facilities to be purchased, built, upgraded or expanded, and to determine what deferred maintenance would be completed with bond funds.

With these goals in mind, THPRD Board and staff reviewed detailed map information, visited potential park sites, and talked with other public agencies, seeking their best guidance to implement the Bond Measure projects. Decisions in collaboration with consultants were then made to:

- Break the \$100 million bond sale into two separate sales;
- Include all funding for land acquisition in the first bond sale;
- Rehabilitate and mitigate structural and seismic risks because of potential safety concerns as an early phase project;
- Begin projects that increase capacity before those that enhance existing facilities;
- Front-load certain project categories e.g., short duration projects and those with completed master plans;
- Schedule early starts for short duration projects and those with completed master plans;
- Start early on larger or complicated projects which will take longer to complete;
- Gain efficiencies and economies of scale by combining similar projects into packages to be designed by a single design firm and built by a single contractor;
- Establish a master list of consultants of record to expedite contracting for design services
- Hire temporary staff to implement more projects concurrently and to effectively handle required public notices, meetings and input related to the bond projects;

- Hire a land acquisition specialist to aggressively pursue opportunities for land purchase;
- Stagger start-up times for projects to balance staff workloads.

Over-arching principles used by THPRD in implementing the bond measure reflected fiscal policies and financial prudence; deliverability and timelines; sustainability goals; ADA access criteria; community outreach and communications; and a wetland mitigation strategy.

Fiscal Policies and Financial Prudence.

THPRD sought Committee input. Within the first year, at staff's request, the Committee recommended and the Board adopted specific fiscal policies regarding Bond Measure projects and activities. The Committee chose conservative approaches in these recommendations, maintaining a balance of funding among project categories. Issues addressed and recommendations included:

- **How Should Interest Earning on Bond Fund Investments Be Used?** Allocate accumulated interest earnings to project budgets each year in the annual budget process based on the remaining budgeted cost of each project. The intent is to use these interest earnings to mitigate the impact of inflation on project costs paid in future years,
- **What If a Project's Costs Exceed its Budget?** Cover shortfall with savings from another project in the same category.
- **How Should Project Contingency Funds Be Used?** Release for use proportionately, based on the status of the project, and milestones reached.
- **Should Funds Be Used to Cover Cost Overage in a Different Project Category?** Yes, so long as there are assured savings and the transfer does not negatively impact the projects in the category from which the funds are being transferred.
- **How Should Buildable Land be Valued?** Complete a single THPRD contract appraisal or other appraisal with review, being mindful that costs of appraisals reduce funds otherwise available to purchase land.
- **How should Non-buildable Land be valued?** Conduct appraisal only if land value exceeds \$100,000 or the price exceeds the standard per acre (a set number based on previous sales of comparable sites within a jurisdiction).
- **Should THPRD Pay More Than Appraised Value for Land?** Yes, if the Board adopts written findings explaining how the site has unique attributes of benefit to THPRD.

THPRD responded to its independent auditor's Internal Control Report. The Committee notes THPRD's response to that report, a part of the financial audit for the year ended June 30, 2009. None of the Internal Control recommendations specifically related to Bond projects. However, THPRD has implemented the recommendations of the audit findings addressing general practices that would apply to Bond projects as well as other

funds.

THPRD developed a Master Project List: This Master List is based on the Project List given to the public prior to passage of the Bond Measure. The Master List tracks each project, funds available by project phase, and allocates project management costs to each project based on an overall limit of approximately 1.8 percent.

Timelines and Deliverables.

Project Scheduling: The District's April 2009 Bond Capital Projects Fund report listed 87 projects, including ten for land acquisition. The Master Project List as of June 30, 2010 lists 129 specific projects. Some projects were combined for economies of scale and timing. Others were broken out from prior groupings into discrete individual projects. The District opted to issue bonds for the first \$59 million of the \$100 million total to satisfy statutory requirements that bond proceeds be largely spent within three years of issuance. The remainder of the bonds will be issued in a future year.

Early in 2009, THPRD staff and consultants prepared a Bond Program Project Schedule and Bond Program Delivery Plan, aimed at starting quickly and expediting completion of bond measure projects. According to a letter from the consulting firm, MacKay & Sposito, Inc., which was hired to help develop the 2008 Bond Program Delivery Plan, the 2009 Schedule was designed to use staff efficiently while reducing overall program delivery time.

Staffing: Upon completion of the 2008 Bond Program Project Schedule, it was decided to hire three temporary Park Planners/Project Managers and one temporary Office Tech to work with the existing Planning staff, allowing THPRD to start more projects earlier. THPRD also hired an experienced Land Acquisition Specialist in the spring of 2009 to work with another part time Land Acquisition Specialist to implement bond-related land acquisitions.

Design Review: The Bond Program Project Timeline will require many park, trail and facility designs as well as play structure upgrades and athletic field projects to be prepared and adopted within four years. THPRD has adopted a streamlined project design review process for bond projects. The streamlined process will apply whenever a substantial change to the design or level of use of a District facility or property is proposed which was not previously approved through a public planning process.

The streamlined project design review process incorporates the need for public involvement, offering public open houses and neighborhood meetings, while seeking input from other public agencies, and its own advisory committees. The advisory committees are being consulted on Bond Measure projects.

Geographic Distribution. The Bond Measure includes funds for improvement projects geographically distributed throughout the District. THPRD will track and report this.

Project Reporting: Staff is now using three major reports to track bond projects:

- a Master Project List listing projects by name, number and quadrant, showing cost per phase, allocations for project management, adjustments and funds available for projects;
- a “Monthly Bond Capital Projects Report, Estimated Cost vs. Budget” provided to the Board listing projects by name, number, quadrant and project category as well as showing budgets, adjustments and project expenditures; and
- a Project Timeline listing projects (but not acquisition projects) by name, number and project category showing planned and actual program activities by calendar quarter. Staff also uses a time management system. Current Performance Measure Reports contain insufficient information and will be amended for the future.

As a result of Committee and staff interaction in preparing this report, it became apparent that project reporting systems needed improvement. Based upon this need, staff agreed to:

- create and follow a standard project numbering system;
- establish and maintain a historical tracking document showing project mergers and other budgetary changes;
- coordinate between financial and program staff to reconcile budgetary, project timeline and milestone reports; and
- create and maintain a report of cumulative expenditures to date by category, project and District quadrant. Current Performance Measure Reports will be amended in the future to incorporate these project reporting improvements.

Progress: The Committee focused its review on progress made with projects scheduled to begin within the first eighteen months of Bond Measure approval. The track record for these projects is impressive. Staff indicated that, because of the current economy and the resulting better availability of both consultants and contractors, THPRD was able to tighten schedules. Though some projects started later than first planned, their schedules remained mostly on target. By June 30, 2010, more than half (82) of the 129 scheduled projects either had been started or had preliminary work done on them; and 16 were completed. Though it is early yet in the design/cost estimate process, no bond category was over budget.

THPRD’s Sustainability Program.

At its most basic level, sustainability means “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” THPRD has based its program on the principle that the staff’s daily responsibility is to be good stewards of their resources. This means using resources wisely; respecting and conserving natural systems; and educating themselves and their patrons. THPRD anticipates using additional sustainable practices that go beyond the current sustainability program. In 2009, THPRD joined other Washington County agencies to

form Partners for a Sustainable Washington County. THPRD is establishing benchmarks and targets for its carbon footprint and will review bond project designs for impact on this footprint. THPRD has developed a financial sustainability costing model and a new program calling for Planning staff to develop sustainable material standards for building projects, including bond measure projects. For example, permeable parking lots are planned wherever feasible, currently at two sites.

Americans With Disabilities Act (ADA)/Access to District Facilities.

THPRD has a commitment and a responsibility to design and retrofit facilities to meet ADA standards. THPRD's Comprehensive Plan calls on the District to "ensure access to Park District facilities for people with disabilities that is consistent with the Americans With Disabilities Act." Current focus is to improve access and opportunities. Building and facility improvements include ADA-accessible family dressing rooms at swim centers, ADA-accessible parking and drop off facilities, and several upgrades in District parks. Bond measure dollars set aside for specific ADA/access improvements totaled \$1,000,000. THPRD will incorporate ADA accessibility into future construction projects.

Challenges come when goals clash. For example, THPRD is constructing several major trail segments to substantially complete its portion of a major north/south regional trail. Segment 7 of the Westside Regional Trail will cross Mt. Williams, a forested island with very steep slopes. Preserving and enhancing this beautiful resource while forging a critical link in the Westside Regional Trail has required great care in the trail's design. This section of the trail will preserve most of the trees but will not be ADA accessible. However the Master Plan does include a future ADA-accessible trail to a viewpoint to allow all patrons to experience the area.

Community Outreach and Communication.

In preparing for the bond measure in 2008, THPRD reached out to its community. District residents were asked how THPRD could provide better programs, facilities and services. Based largely on public input, THPRD designed the Bond Measure to reflect its community's needs. After passage, THPRD continued its efforts to keep its public informed about what it was doing.

Communication with residents is a critical element of implementing the bond measure. The Board adopted a multiyear Bond Implementation Communications Plan to keep residents informed about the status of bond projects using tools such as special mailings, the District's website, community presentations and news releases.

As each new project begins, large easy-to-see and -read signs are installed at the main access points, so that the public can see what is planned. The signs contain invitations to find out more or to ask questions by phone or by going to the website.

The District's website is the communication plan's primary tool, because it is flexible and can be updated quickly and inexpensively. In August 2009, a new page was unveiled providing information on the status of various bond projects (www.thprd.org/bondprojects/home.cfm). Interactive maps detail work planned in all four quadrants of the District. Clicking on the Projects Updates & Schedule link, allows review of individual projects, including work timeline, photos, and how to voice one's thoughts or concerns. Photos of and information about completed projects are also posted.

During the 2009-2010 fiscal year, visitors logged on to the bond Web pages more than 14,000 times. Signs, post cards to residents within one mile of completed bond projects, newsletters and news releases have all been used effectively.

Based on a review of the Bond Implementation Communications Plan and information found on the District's website, the Committee concluded that all activities aimed either at the public or the media have so far been completed on schedule.

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 and State law requires such impacts to be mitigated. THPRD planning showed that as many as thirteen Bond projects, such as trails, would likely cause negative impacts to vegetated corridors or wetlands. These impacts often cannot be mitigated on project sites and need to be mitigated off-site. Off-site mitigation requires a site with characteristics suitable for environmental enhancement. This prompted THPRD to adopt a Wetland Mitigation Strategy in late 2009, hiring specialists to study potential mitigation needs and to recommend options, including a "mitigation land bank."

Based on this study, the Board decided to use bond funds to purchase property meeting wetland mitigation criteria since THPRD owned no undeveloped property meeting legal requirements for mitigation of encroachment and construction projects. A physical wetland mitigation bank must eventually be included. As of June 30, 2010, staff was still looking for suitable property, including wetlands outside the current District boundary. This appears to be the most practical and cost-effective means to provide the mitigation acreage required.

The Wetlands Mitigation Strategy specifies that when capital projects (such as trails) require wetland mitigation, the cost of land purchased for that mitigation will be charged to the appropriate project. Then the funds will be credited back to the Natural Areas land acquisition account.

This strategy will ensure that Bond projects impacting wetlands will proceed in a timely manner, which will benefit THPRD and the public long into the future.

Promises Made

Voters approved the 2008 Bond Measure for a variety of reasons. Rapid growth, increasing recreational needs and dwindling open space were important factors as well as the need to renovate, expand, and improve THPRD facilities for safety, earthquake stability and ADA compliance. Planning by THPRD's Board and staff began immediately after passage of the measure. Their objective was to determine first steps and establish priorities and timelines to implement projects meeting the Bond Measure's objectives. The Bond Measure's purposes and allocations of funds were:

- Land Acquisition \$33,600,000
- New/Redeveloped Community and Neighborhood Parks \$18,750,000
- Natural Area Preservation \$3,600,000
- Trails/Linear Parks \$14,745,000
- Youth Athletic Fields \$9,000,000
- Deferred Park Maintenance Replacements \$1,500,000
- Facilities Rehabilitation, Expansion and Improvements \$14,575,000
- ADA/Access Improvements \$1,000,000
- Project Management/Bond Issuance Costs \$2,900,000

For expenditures through June 30, 2010 refer to the list under "Accomplishments" on page 17.

Land Acquisition.

\$33.6 million of the authorized \$100 million bond measure funds was allocated to land acquisition. Land acquisition categories and the amount of funding for each were specifically designated in information provided to the public about the bond measure. THPRD has established priorities, criteria and performance measures for land acquisition under the bond measure. One key criterion is that all acquisitions must come from willing sellers. Condemnation is an option the District has chosen not to use.

Land purchase strategy included scheduling the full amount for land acquisition in the first bond sale to take advantage of a drop in land values caused by the recent economic downturn. The strategy also included determining the types of properties and District quadrants on which to focus land acquisition efforts. Almost half of the \$33.6 million allocated to acquisition is targeted to two facilities: a future community park site in the NE quadrant and a future community center site in the SW quadrant. Focusing initial efforts on these two acquisitions increases the likelihood of spending the bond funds in a timely manner and minimizing any exposure to liability for arbitrage.

Acquisition methods, outreach, types of land, and general locations have been reviewed with the Committee. Like THPRD Board and staff, the Committee is concerned with the slow pace of land purchases. Unlike capital projects, land acquisitions are driven not

only by THPRD's schedule, but also by the needs and schedules of land owners, which are beyond THPRD's control. THPRD land acquisition specialists continue to contact owners of targeted properties to determine their interest in selling to the District. Emphasis is on properties that need to be acquired in the near term to allow certain capital projects to proceed. Some Purchase and Sale Agreements are now being negotiated. Staff also continues to work with the Trust for Public Land and others on larger, high priority acquisition projects.

By September 2009 staff had researched and presented to the Board information on 82 properties throughout the District's four quadrants. Twenty-one contacts were made with property owners. By April 2010, an additional 52 owners had been contacted, 14 letters of intent presented, one Purchase and Sale Agreement executed, and three current appraisals completed. Thirty-four active negotiations were under way. Land acquisition activity continued in each quadrant through June 30, 2010, with six executed Purchase and Sale Agreements and 32 current active negotiations under way.

THPRD staff appears to be aggressively pursuing appropriate land purchases. Other local jurisdictions report similar challenges finding willing sellers in a "down" market. Owners appear to be waiting for market prices to rebound.

THPRD tries to leverage Metro, Trust for Public Land, City of Beaverton, and other partners with funding to assist with purchase of land and land rights by seeking out and taking advantage of opportunities as they arise. Results from the first 18 months of this approach shows that laying early groundwork is beginning to pay off. THPRD and the City of Beaverton plan to use Metro local share funds to expand park land in the SW Quadrant; THPRD is identifying opportunities to leverage Metro Nature in Neighborhoods funding in natural area acquisitions; THPRD and Metro are collaborating on expansion of Cooper Mountain Nature Park; and THPRD is applying for grants to connect trail segments not funded with bond money.

New/Redeveloped Community and Neighborhood Parks.

The District's target size for new community parks is 10 to 25 acres. A combined standard for community parks and special use areas is two acres per 1,000 residents. To keep pace with population needs, THPRD plans to use bond measure funds to purchase land for one 20-acre community park (\$10,000,000), develop one new community park (\$5,000,000), and renovate/redevelop two existing community parks, Cedar Hills and Schiffler (\$7,000,000).

The District's standard for neighborhood parks is about three acres. THPRD plans to purchase land for six new neighborhood parks (\$9,000,000), develop five new parks on land already owned by the District (\$3,750,000), and renovate/redevelop five existing neighborhood parks (\$3,000,000).

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.

Each park will have its own master plan, project design review, permitting process, and construction oversight. The Bond Program Project Timeline showed projects were under way by June 30, 2010 for five neighborhood parks and three community parks.

Some early challenges arose. Cedar Hills Park was one of the first planned projects to get started. However, at the end of 2009, the project was placed on hold. Staff determined that delaying master planning to clarify the currently ambiguous status of 1.6 acres was in the best long-term interests of the park and its patrons.

Starting timelines slipped by a calendar quarter on AM Kennedy and Schiffler parks. As of April 2010 two other projects were ahead of schedule and two master plans had been adopted. Senior staff indicated that in such situations, they adjust staff work based on project status to minimize staff “down” time.

Early community parks planning is justified since these parks require more outreach, planning and design, and their unique complexities will take several years to address. For neighborhood parks, staff chose to stagger start dates over several years because of their number and, many of them will receive multiple bond projects, which need to be coordinated. Some more straight-forward projects, such as installation of playground equipment, are being completed early in neighborhood parks.

Natural Area Preservation Projects.

Natural resource conservation, restoration and enhancement are stated priorities of THPRD, as recorded in Goal 4 of its 2006 Comprehensive Plan and its 2002 Natural Resources Management Plan. Pursuant to these plans, the District combines natural resource protection with other public responsibilities to provide environmental education and access opportunities for the public.

The Bond Measure directed THPRD to use bond funds to “protect local natural areas and lands near creeks and streams throughout the District, safeguard water quality and protect fish and wildlife habitat.” The Bond Measure Explanatory Statement indicated that “Natural area preservation would occur through land acquisition and restoration work on wetlands, woods, and greenways throughout the District.”

Thirty-five natural area preservation projects are identified in the April, 2009 Bond Capital Projects Fund list. The District planned to begin work on 30 of these projects in 2009-10, a clear commitment to an early start. For 2009/2010, the District proposed to begin spending \$2,772,930 (almost 75 per cent of the total available) on those projects.

The June 30, 2010 Master Project List identifies 36 Natural Area Preservation Projects. The project timeline shows 24 planned to begin in 2009/10. Staff decided to split one

project into two and modified start dates for six other projects based on a need to acquire additional land for some, adjusted some timelines to coincide with other work planned for the same site, and delayed starting one simpler project, allowing staff to first concentrate on longer or more complex projects.

The Committee raised questions early in this process: Will land acquired to preserve natural areas really offer wetland and upland habitats and a connected network for wildlife habitat and migration? How could effective natural area restoration and enhancement be assured?

THPRD's Natural Resources staff has been called upon to evaluate natural area properties for acquisition. The Natural Resources staff stated a preference for connections rather than islands when acquiring land, while also assessing site needs, writing restoration plans and preparing District-owned sites for restoration and enhancement. The staff has used their expertise and relied upon the guidance of the Natural Resource Management Plan, which provides standards and flexible tools to manage natural resources.

The Board has directed staff toward land acquisition targets consistent with Natural Resource objectives, preferring properties connecting to other natural resource areas and focusing on natural area acquisitions in limited geographical areas to complete acquisition of stream corridors.

As of June 30, 2010, acquisition of 47 potential natural area properties had been evaluated and 16 restoration site assessments had been written, exceeding staff's benchmarks. Eleven written restoration plans were completed out of 14 called for by staff's benchmarks. Preparation for restoration activities was completed ahead of schedule on three sites.

Comparing the May, 2009 and the June 2010 project timelines shows that in 2009, staff hoped to begin planning for 19 locations and site preparation at 15 by mid-2010 but those numbers had slipped to 18 site plans and three site preparations in the June 2010 timeline.

THPRD natural area preservation projects do not require master plans, which are generally used when changing a site's use or nature. Natural area preservation projects, by definition, attempt to preserve and restore the existing function of these sites. In the design development phase of these projects, staff complete site assessments, develop preliminary preservation plans, and seek public comment, similar to the outreach conducted during master planning for other projects. Once the design development phase is complete, the preservation work begins.

Protection and enhancement of natural areas is being appropriately addressed in the current bond projects. Projects that have no apparent connection to natural areas are still considered relative to their impact on sensitive spaces. This places a heavier burden than might have been expected upon the Natural Resources staff. They have

been called upon to perform additional work perhaps not originally considered, such as their efforts relating to land acquisition. Much work has been done as of mid-2010; however, some of the work planned has been delayed. The Board has recognized the additional Natural Resources staff workload and added a Natural Resource and Trails Specialist in the 2010-11 budget to facilitate this work.

Trails/Linear Parks Projects.

THPRD's Comprehensive Plan and its Trail Plan identified needs to create a strong spine for the system by focusing on a few primary north/south and east/west trails. Specifically, key future trail connections are planned to include the Westside Regional Trail, segments of the Waterhouse Trail, connections to each other and the Rock Creek Regional Trail. The need for local connections was also recognized.

The Project Timeline was to begin master planning in early 2009 for eight and design development for six of 10 bond measure trail projects (\$14,745,000). Larger trail projects are notoriously time-consuming and difficult due partly to terrain, permitting and other regulatory issues, so the District proposed to begin them early. Master plans for both the Jordan Husen Park Trail and the Lowami Harts Wood Trail are complete, allowing design work to move forward.

By June 30, 2010 the North Bethany #2 trail project had been folded into the Rock Creek Trail and Allenbach Acres project, leaving nine trail projects. Work was under way on eight of the nine projects: two projects were ahead of schedule; four master plans had been adopted; one permit had been issued and one construction bid awarded. Three more trail master plans were in the works. Staff and consultants refined trail alignments for the Jordan Park segment of the Cedar Mill Trail and the Lowami Hart Woods Trail. A public meeting is planned for fall 2010 on the Lowami Hart Woods Trail. Construction on the Old Wagon Trail in the Nature Park is under way as a design/build project. This project has a short timeline and will meet a great seasonal need within the Park.

Work is not yet started on soft-surface connecting trails. Currently, soft trail development is listed as one project, but that may change, depending on size, complexity and timing of the development of various trails.

The decision to begin larger trail projects early is valid. Since much of the early bond project work in all areas involves master planning, having completed master plans for four projects able to move into the design/permitting/construction administration stages effectively staggers staff and consultant workload and keeps work going at a smoother pace.

Youth Athletic Fields.

The bond measure included \$5,000,000 for ten youth athletic fields (grass, no lights) and two multi-field, multi-purpose synthetic surface athletic fields (\$4,000,000). Youth athletic fields (at least three baseball and three soccer fields) will be placed in four neighborhood parks, two community parks and in four more park sites to be determined, one for each quadrant. Synthetic fields will be at Cedar Hills Park and a new SW quadrant community park. Types and locations of fields were determined by public input as well as the Athletic Fields Needs Assessment Study.

The April 2009 Project Timeline indicated that athletic field development master planning would begin in the second quarter of 2009 for Winkelman Park and Meadow Way Park. Meadow Way Park was the first (summer, 2009) to have a consultant under contract. Completion of master planning for Winkelman Park, including the athletic field, was rescheduled for later in 2010. The remaining fields are set for later starts.

As of April 2010, three field projects had completed contract negotiations for architectural and engineering master planning, and one master plan had been adopted. By June 30, 2010, funding set aside for two multi-field/multi-purpose athletic fields had been transferred to Cedar Hills Park and the SW Community Park projects. Funding set aside for four youth athletic fields was transferred to three neighborhood park projects and one community park project, leaving a total of six youth athletic fields as independent projects. These fund transfers and project consolidations were made so development of the parks and fields could move forward in tandem.

Development of athletic fields takes a relatively short time and, since many of the fields depend on either land purchase or later planned park development, the staff's decision to delay and/or coordinate their start makes sense. The exception, Meadow Way, was started early because its only upgrade is the athletic field.

Deferred Park Maintenance Replacements.

In the November, 2008 Parks Bond Measure project list, deferred maintenance projects included play structure replacements at 11 sites, irrigation replacement in one park, pedestrian path replacements at three sites, bridge/boardwalk replacements at six sites and three permeable parking lots. As of June 30, 2010 these five "group" projects were divided into 19 separate projects. Two bridge/boardwalk replacement projects were transferred to park projects (Pioneer and the Nature Park).

All fifteen of the projects scheduled to start by June 30, 2010 started on time; and nine are already completed.

The first project in this category, replacement of the irrigation system at Roxbury Park, was installed by THPRD Maintenance staff and completed October 31, 2009.

As of April 2010, the public had provided input on style and other factors on play

equipment at all 11 park sites. Seven play equipment projects have been completed coming in under budget by approximately \$7,000-\$8,000 per project. The Summercrest Park and Harman Swim Center Park projects are currently under way, and the remaining two, Lost Park and Waterhouse Park, will be completed by fall 2010.

Three pedestrian paths at Rock Creek, the Nature Park, and Murrayhill Park have been replaced. One permeable parking lot project (Aloha) is under way. According to staff, a second permeable parking lot, planned for Sunset Swim Center, has been pushed out approximately two years to coincide with facility structural work timing and to minimize the number of facilities closures. The permeable paving project at the Elsie Stuhr Center cannot be constructed as planned, due to drainage issues.

Updating play structures in many of the District's play areas was a quick and visible way to show the public progress on bond measure implementation. Some of these deferred maintenance projects are either partially or totally under the supervision of the Maintenance Dept. Going forward, it will be important to track and review staff time charged to all the various projects to determine project management costs.

Facilities Rehabilitation, Expansions and Improvements.

THPRD manages over 388,000 square feet of occupied space in 16 recreation centers and swim centers. These facilities were constructed between 1950 and the present, representing a variety of construction styles, eras, building codes, and seismic integrity.

Public response to THPRD on potential bond projects produced a clear message that District residents wanted current assets updated and adequately maintained. This portion of the bond was to be used for structural upgrades (\$6,500,000), expansions and improvements (\$7,550,000), and splash pads at Cedar Hills Park and Conestoga Recreation & Aquatic Center (\$525,000 each).

\$6,500,000 was set aside to rehabilitate and mitigate structural and seismic risks at fifteen sites. Because of potential safety concerns, THPRD addressed these issues early on. In January 2009, THPRD contracted with Peterson Structural Engineers, Inc. to evaluate structural seismic deficiencies in 16 buildings and facilities. Of those, 15 facilities were included in subsequent recommendations, proposed upgrades and reports. The Nature Park Interpretive Center was not included because the initial inspection determined that, based on the age, size and design of the facility, it was unlikely to have any structural seismic issues and did not warrant a Tier 1 evaluation.

The engineering report, issued in April 2009, addressed building deficiencies and prioritized repairs. It also pointed out how THPRD's substantial maintenance backlog could be reduced immediately, during bond fund building upgrades and expansions. The report stated: "...the proposed upgrades selected by Tualatin Hills Park & Recreation District appear to be well thought out and reasonable based upon the criteria used. The proposed upgrades will provide a significant improvement in many of the

core facilities during a seismic event.”

Facilities upgrades were some of the earliest projects on the schedule. Planning for the Athletic Center HVAC, Sunset Swim Center Pool Tank and various other structural upgrades was started in early 2009.

The first bond project, a rebuild of the air-handling tunnel at Sunset Swim Center, was completed on time and substantially under budget, re-opening the pool to the public on June 1, 2009.

As of June 30, 2010, structural repairs and upgrades had been started on 15 facilities, and completed on four, with an additional 11 master plans completed. Many structural upgrade projects required no design review or permits. THPRD accelerated these, moving from master planning directly to construction. By June 30, 2010, two of the five facilities expansion projects were complete, two were getting ready to start construction, and one was in design review.

Staff was wise to address structural and potential safety issues first. Their attention to the public’s request to reduce the deferred maintenance backlog on THPRD assets is also commendable. Addressing the swim tunnel was both an easy fix and a way to put money early toward one of THPRD’s popular swim facilities.

ADA/Access Improvements.

THPRD originally set aside \$1,000,000 for ADA/Access improvements in numerous parks and to improve access to parking and drop-off zones, the Aquatics Center and the Athletic Center at the Howard M. Terpenning (HMT) Recreation Complex.

Instead of two general “holding” categories for various ADA improvements at “numerous sites,” THPRD has identified 15 independent park projects to improve ADA/access. More may be added later. Most of these projects have not yet been scheduled. When staff looks at sites with multiple proposed projects, they try for economies of scale and location. Some of the ADA projects may be done at the same time as other projects at the same location.

The Aloha Swim Center ADA Dressing Room project is complete. The Lost Park and Waterhouse Powerline Park projects were under construction at June 30, 2010, and the HMT Center parking lot improvements were being master planned.

Staff has done a creditable job to balance these, mostly smaller, projects with the rest of their larger or more complicated projects. Some ADA/access improvement projects were simple, and it made sense to do them sooner. Others could be done when another project might be in a holding pattern. Still others were combined with other projects as appropriate.

Project Management/Bond Issuance Costs.

Staff has set an ambitious and laudable target of keeping project management and bond issuance costs below 3 percent of total spending. To date, staff has met this target. The Committee will continue to monitor progress on achieving this target.

Accomplishments

As of June 30, 2010, staff reports that THPRD has expended \$4,248,240 of bond funds in following categories:

Land Acquisition: \$186,456

New/redeveloped community and neighborhood parks: \$378,595

Natural Area Preservation: \$36,257

Trails/Linear Parks: \$777,803

Youth Athletic Fields: \$83,018

Deferred Park Maintenance Replacements: \$714,022

Facilities Rehabilitation, Expansion and Improvements: \$1,475,624

ADA/Access Improvements: \$36,244

Bond Issuance Costs: \$560,261

As of June 30, 2010, more than half (82) of the 129 total bond funded projects either have been started or had preliminary work done on them; eight began ahead of schedule; and 16 projects were completed. Projects have been started in each major project category and in all four District quadrants. Although it is still early in the design/cost estimate process, staff reports that no bond category was over budget.

The Board is fully engaged in this process, providing encouragement, clear policy direction and timely decisions. The staff has established aggressive timelines and hired consultants and additional temporary staff appropriately. All players appear to be working toward the same end -- providing the promised capital additions to the system, on time, in scope and within budget.

The collective effort has been obvious: a jump start on many projects; an early focus on streamlining planning and the contractor/consultant hiring processes, along with staff size containment; the significant energy spent trying to purchase land so projects can move ahead; a collaborative approach within the District as well as with partners, consultants and public agency representatives to smooth communication and streamline project completion; working through permitting and regulatory requirements early in the course of design; innovative and cost-wise communication with the public; flexible re-evaluation of approaches when the unexpected occurred; and staying true to their organizational core values.

The Committee is charged with ensuring that THPRD meets the objectives of the bond

measure and expending bond funds as promised. THPRD patrons can be assured that the THPRD Board and staff fully recognize the tremendous public gift and long-term value of the \$100 million that the bond measure placed in their charge. THPRD intends to meet and, if possible, exceed public expectations. It has committed time, energy, staffing, and resources in a prudent and intelligent manner to reach this goal.

Recommendations

In some ways, THPRD's sizeable accomplishments have led to the Committee's increased attention to specific areas. In their efforts to "hit the ground running" and exceed public expectations, THPRD may have under-estimated some of the complications arising from a project of this magnitude. Adjustments to project timelines reflect some unexpected surprises, but they also reflect appropriate adjustment and recovery. An enthusiastic beginning is to be praised, as long as modifications allow THPRD to regroup and deal with any loose tendrils that may have gone astray. Willingness to make changes that reflect reality, rather than denying real problems, is also a positive sign.

The Committee is charged with making recommendations, as appropriate, for improving the Parks Bond Capital Program's efficiency, administration, or performance. The Committee submits the following recommendations:

- *Reporting:* Consistency and transparency in project reporting are crucial for public confidence – especially with a fast start on many different projects in many different categories. While THPRD is using a variety of financial and programmatic systems and schedules to control, track and report on specific project performance, the Committee recommends that project reporting be more comprehensive and consistent across different categories and projects. Communication between program and financial managers could also be improved. The Committee will continue to work with staff to perfect a comprehensive reporting system. The Committee has been assured by THPRD staff that by using and regularly updating a newly created overall Master Project List as well as monitoring park planners' time allocation, both the schedule and quality of work will meet the standards set for their projects.
- *Tracking Staff Time:* There is some uncertainty about how staff, other than Planning and Development ("P&D") staff, is charging and tracking project management time. In response to a question by the Committee, P&D staff indicated they have built management time into each of their project timelines. Several projects not supervised by P&D were reported as completed, and it is unclear, based upon the documents reviewed, what time staff put into the projects either in actual construction (Roxbury Park irrigation, for example) or construction administration (playground equipment installation, for example). THPRD showed thrift in its plan to spend less than three per cent of bond funds for project management and bond issuance costs. It will be important to see if

that limit can be maintained. The Committee recommends that actual project management and construction administration costs be charged properly and fully to actual bond projects. In the case of deferred maintenance projects, it will be important to independently account for them when the work is combined with other upgrade and expansion projects at the same location.

- *Performance Measures:* It is vital that THPRD institute sufficiently comprehensive performance measures to ensure quality as well as timeliness. This is particularly important in the early phases of construction projects where good scope definition and design can save THPRD from significant change order requests later.

Also, based upon a review of documents available to the Committee, land acquisition guidelines relating to natural areas need additional work. The criteria are available via Natural Resource staff and the Natural Resource Management Plan; however they do not seem to be promulgated in a formal or written directive that the Land Acquisition Specialists can use.

The Committee recommends the development and use of comprehensive performance measures for bond projects. The Committee anticipates working with staff to develop a more thorough set of performance measures.

- *Communications:* Strengthen and expand community outreach so District patrons can easily understand the benefits and see the results of this bond program. Continue to expand on the Bond Implementation Communications Plan. Celebrate with the public when projects are completed.

As these bond projects move forward, the Committee will work with staff to assure that critical processes are in place to meet public expectations.

Looking Ahead

The Committee has identified the following areas where it believes it can help THPRD direct its attention in the coming year.

Aim High. Encourage THPRD to maintain the high level of productivity exhibited by Board and staff in the first 18 months of implementing the bond program.

- Balance forward progress in all categories and geographic areas;
- On an annual basis, comprehensively analyze progress and identify challenges;
- Maintain focus on low overhead costs.

Focus on Land Acquisition. The Committee should pay close attention to land acquisition efforts and results. Evaluate information on contacts made. Determine what works, what does not, and what alternatives might be pursued. Examine and assist staff efforts to look for additional partners.

Develop Additional Tools and Metrics. The Committee should work with THPRD to develop tools to monitor and evaluate progress toward building and improving the parks, natural areas and facilities promised to the public. Examples include:

- producing qualitative performance reports;
- developing qualitative guidelines for natural area land acquisition;
- refining financial and planning/production reports;
- developing/refining mechanisms to track and/or review project management, pre-planning activities, change orders, land appraisals, and expenditure overages by category; and,
- establishing an inventory of capital assets created by bond funds.

Visit Sites and Verify Implementations. To better exercise its oversight responsibilities and achieve better insight into the results of the bond projects, the Committee should visit completed projects and acquisitions.

On an ongoing basis, the charge to the Committee is to verify how much work has been done, how much money has been spent, and how those results match up to the promises described in the Bond Measure and its supporting materials. The Committee will continue to pursue this charge as its primary mission.