

Attachment 1

List of material changes from 2014 Natural Areas Work Plan to Parks and Nature Real Estate Manual

Line	Type of change	Topic	Previous	New
1	Formatting	Title and general contents, including section titles and organization	A bond program work plan that addressed all bond programs in 2014	Focused on real estate issues, with bond acquisition as a main component. The department has reorganized and grown since 2014 and each bond program has its own manual or guidelines. Not necessary to include here. Updated and streamlined sections and titles.
2	Housekeeping	Refinement	Included description	Removed description because this is covered in Reso. 22-5250
3	Housekeeping/clarity	Metro property acquisitions, general parameters	Required a tax lot to be on a refinement map or contiguous with a public park providing entity	Removed "park" to allow for possible open space protection with other public agencies such as ODOT
4	Housekeeping	Metro property acquisitions, general acquisition parameters	Included Agricultural Resource Land guidelines from Reso. 06-2737 (applicable to certain target areas in the 2006 bond measure)	Removed because 2019 bond measure and refinement plan does not have Agricultural Resource Land references
5	Policy/authority	Negotiated purchase price	COO could approve purchase at 10% or \$100,000 above FMV, whichever is greater if found to be in the public interest (certain conditions must be met)	Executive steering committee encouraged P&N to consider intrinsic value to P&N/region not just real property fair market value. Edited to allow program to purchase at 10% or \$100,000 above FMV and COO to approve 20% or \$200,000 above FMV, (whichever is greater) if found to be in the public interest (certain conditions must be met)
6	Housekeeping/clarity	Appraisal	Insinuated/was not clear regarding appraisals containing extraordinary assumptions	Clarified that appraisals containing extraordinary assumptions or hypothetical conditions may be used so long as they do not materially influence conclusion of value; USPAP compliance still required
7	Policy/authority	Appraisal	Contracts over \$50,000 required appraisal	Contracts over \$100,000 require an appraisal to support purchase price.

				Market values have been steadily increasing and \$50,000 is low, essentially requiring review of all appraisals while this was not the initial intent. The average purchase price of fee title in the 2019 bond measure is \$758,660 and in the last five years, \$577,951. Only two purchases through the 2019 bond measure were under \$50,000, and one was a donation.
8	Policy/authority	Appraisal review	Required review for all appraisals establishing value over \$400k	Require a review when program staff determines it is appropriate based on the individual circumstances or if a review is required to comply with federal guidelines. The dynamic nature of real estate makes setting a threshold arbitrary. Appraisers Metro hires are licensed, experienced, and vetted through Metro's RFP process so their work is expected to be quality without formal review, though Metro subject matter experts always review appraisals regardless of contracting a formal review. Review appraisals impact timelines of due diligence, and further distances Metro from being a market player, so should only be utilized when necessary.
9	Housekeeping/clarity	Conflicting appraisals	Was specific that purchase price should not exceed the average of the two conflicting appraisals	Provides flexibility for department subject matter experts to make a determination of value using the resources provided, not to exceed the higher of the two
10	Policy/clarity	Environmental review	Rigid requirements without flexibility to evaluate risk and liability for each circumstance. Only included receipt of a Prospective Purchaser Agreement or No Further Action letter (both from DEQ) as satisfying any risk related to	Includes ability for the program to close on properties with minor contamination, when post-closing remediation is possible and reasonable in relation to value of the property, or not required for Metro's use and the due diligence team determines that the condition of the property is unlikely to

			potential environmental liability	result in substantial future liability for Metro.
11	Formatting	Partner acquisition parameters	Only considered for the “COO to negotiate and close” insinuating only Metro-negotiated transactions could qualify for purchase.	Included partner acquisition parameters approved in Reso. 24-5389, and added ability for Metro to contribute to a property not necessarily in a target area but identified by a Soil and Water Conservation District (SWCD) as an opportunity for Metro to “demonstrate its commitment to protecting farmland, food security, and the agricultural economy in greater Portland region by supporting the protection of natural resources on working lands and increasing access to sustainably managed working lands” (direct quote from Protect and Restore Land program criteria in the bond measure), and Bond Acquisition Program staff has visited the property and confirmed the acquisition meets this goal.
12	Policy/authority	Interim use leases	Only addressed agricultural leases (residential lease policy governed by outdated Reso. 97-2483 ‘Real Property Leases’)	Includes agricultural leases (up to 10 years) and residential leases (up to 5 years) with rental rates no more than FMV as determined by staff. Reso. 97-2483 ‘Real Property Leases’ limited rental payments to \$2,000 per month
13	Policy/authority	Boundary agreements/easements	Only permitted COO to execute and grant easements/licenses or to complete minor PLAs when an issue related to an acquisition.	Added that the COO can execute and grant de minimis easements when the issue requiring the easement is required by a city or county as a condition of approval for a park development permit. In both cases the value of the easement must be less than \$30,000
14	Housekeeping	Notice to Council and Document Retention	Requirements in various locations	Record retention requirements apply regardless of whether they are included in this document, so to streamline, they’ve been removed. Notice to Council of closed transactions (“closing memo”) will

				continue in practice but formally removed from this manual.
15	Formatting	Sections on Stabilization, Local Share, Nature in Neighborhoods Capital Grants program	Included summaries of these programs	Removed: the department has reorganized and grown since 2014, and each bond program has its own manual or guidelines. Not necessary to include all detail here.