

Priority:	Accountability	Lead Agency:	Non-Departmental - All
Program Offer Type:	Existing Operating	Program Contact:	Dave Boyer
Related Programs:			
Frameworks:			

Executive Summary

The Revenue Bond Program accounts for the principal and interest payments on the Revenue Bonds, Series 1998 (Regional Children's Campus. Inc. in the amount of \$3,155,000), Motor Vehicle Rental Tax Revenue Bond, Series 2000A (Port City in the amount of \$2,000,000) and Motor Vehicle Rental Tax Revenue Bond, Series 2000B (Oregon Food Bank in the amount of \$3,500,000) issued to acquire and construct facilities that are being financed in partnership with the County.

Program Description

The County's Finance and Budget Policy includes a section on issuing revenue bonds in partnership with a 501(c)(3) non-profit agency. The agency must demonstrate that it cannot obtain conventional financing at a reasonable cost. The County assists small to medium size agencies that have total annual revenues from all sources of at least \$1,000,000 but not greater than \$10,000,000. The planned use of the revenue bond proceeds must be consistent with County policy priorities or benchmarks. The County will assist the agency by issuing tax exempt revenue bonds to finance no more than 60% of the capital project and related allowable debt issuance costs. The agency is responsible for raising the remaining project funds. The agency is responsible for all bond issuance costs. The County must have title, or first lien rights if the escrow agent holds title on behalf of the lender, to the property while debt is outstanding. Once the project is completed, the County leases the project back to the non-profit. The agency is responsible for all ongoing costs related to the financing. These include annual debt payments, paying agent costs, or other related costs. Once the bonds are paid off, the County transfers title to the project back to the non-profit. The County has entered into three of these partnerships. The Oregon Food Bank, Port City and Regional Children's Campus. The County also limits the amount of revenue bonds that the County will issue in partnership with non-profits. The limit is \$8,500,000. The current amount outstanding is \$7,425,000.

Program Justification

The proceeds of the debt were used to support Basic Living Needs programs for youth services at the Regional Children's Campus, programs and services to people with disabilities at Port City and the Oregon Food Bank provides food to the less fortunate throughout the State of Oregon.

Performance Measures

The debt repayment is linked to sound financial management in the Accountability Priority. Maintaining an investment grade bond rating from Moody's Investors Service. Lease payments are being received from the non-profit agencies.

Summary of last year's program results and this year's expected results

The Revenue Bonds, Series 1998 (Regional Children's Campus. Inc.) is rated A3 by Moody's. The MBIA insured Motor Vehicle Rental Tax Revenue Bonds Series 2000A (Port City) and 2000B (Oregon Food Bank) are rated Aaa by Moody's. Both issues are investment grade. The Oregon Food Bank has prepaid \$2,000,000 of its lease payment. The Regional Children's Campus and Port City lease had to be restructured to prevent a default. The County has not defaulted on any debt issues.

Program Mandate: 1 Mandated Program & Funding Level

The Regional Children's Campus Revenue Bonds Series 1998 and Lease Agreements were approved by the Board of County Commissioners by Resolution 97-207 adopted December 4, 1997. The Oregon Food Bank Revenue Bonds Series 2000B and Lease Agreements were approved by the Board of County Commissioners by Resolution 00-156 adopted September 21, 2000. The Port City Revenue Bonds Series 2000A and Lease Agreements were approved by the Board of County Commissioners by Resolution 00-157 adopted September 21, 2000. Revenue bond principal and interest is required under the bond covenants entered into by the County.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2005	2005	2006	2006
Program Expenses				
Contracts	\$0	\$7,000	\$0	\$15,000
Debt Service	\$0	\$826,313	\$0	\$829,637
Unappropriated & Contingency	\$0	\$2,515,037	\$0	\$2,077,873
Subtotal: Direct Exps:	\$0	\$3,348,350	\$0	\$2,922,510
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$0	\$0
Total GF/non-GF:	\$0	\$3,348,350	\$0	\$2,922,510
Program Total:	\$3,348,350		\$2,922,510	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Fees, Permits & Charges	\$0	\$427,400	\$0	\$513,360
Other / Miscellaneous	\$0	\$2,920,950	\$0	\$2,409,150
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$3,348,350	\$0	\$2,922,510

Explanation of Revenues

Revenues are received from beginning working capital, interest earnings, General Fund cash transfer and lease payments from the Regional Children's Campus, Port City and Oregon Food Bank.

Significant Program Changes

None