

**Program # 10057 - Oregon Food Bank - Retire Debt**

**Version 4/23/2005 s**

<b>Priority:</b>	Safety Net Services	<b>Lead Agency:</b>	Non-Departmental - All
<b>Program Offer Type:</b>	Program Alternative /	<b>Program Contact:</b>	Dave Boyer
<b>Related Programs:</b>	10042		

**Frameworks:**

**Executive Summary**

Multnomah County's share of the principal and interest payment on the Oregon Food Bank \$3,500,000 Revenue Bond Issue, Series 2000B issued November 1, 2000.

**Program Description**

On November 1, 2000, Multnomah County issued \$3,500,000 in Motor Vehicle Rental Tax Revenue Bonds, Series 2000B. The Board of County Commissioners adopted Resolution 00-156 authorizing this issue. Under the lease agreement between the Oregon Food Bank and the County dated November 1, 2000, the County is responsible for paying principal and interest on \$500,000 of the issue and the Oregon Food Bank is responsible for the principal and interest on \$3,000,000. This program offer is an alternative to offer # 10042. It proposes the use of \$450,000 of unanticipated carryover to retire the County's obligation for this debt payment. If purchased, this program offer relieves the General Fund of a \$64,450 annual commitment that was scheduled to continue until FY16.

**Program Justification**

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. In general, it is intended that the County will be assisting 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.

**Performance Measures**

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

**Program Mandate: 1 Mandated Program & Funding Level**

County is contractually obligated to make this debt payment.

**Revenue/Expense Detail**

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2005	2005	2006	2006
<b>Program Expenses</b>				
Cash Transfer	\$0	\$0	\$450,000	\$0
Subtotal: Direct Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$0</b>
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Total GF/non-GF:	<b>\$0</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$0</b>
Program Total:	<b>\$0</b>		<b>\$450,000</b>	
Program FTE	0.00	0.00	0.00	0.00
<b>Program Revenues</b>				
Program Revenue for Admin	\$0	\$0	\$0	\$0
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Explanation of Revenues**

Supported by General Fund revenue. The source of funding for this program is Beginning Working Capital (BWC) forecast to be available for use in FY06.

**Significant Program Changes**