

**Priority:** Accountability  
**Program Offer Type:** Existing Operating  
**Related Programs:**

**Lead Agency:** Non-Departmental - All  
**Program Contact:** Mindy Harris

**Program Characteristics:**

**Executive Summary**

The Revenue Bond Program accounts for the principal and interest payments on two Revenue Bonds: 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 Debt Policy includes a section on issuing revenue bonds in partnership with a 501(c)(3) nonprofit 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 the following partnerships - Oregon Food Bank and Por City. The County also limits the amount of revenue bonds that will be issued in partnership with nonprofits. The limit is \$8,500,000. The current principal amount outstanding is \$3,240,000.

**Program Justification**

The proceeds of the revenue bond debt were used to support programs and services to people with disabilities and to provide food to the less fortunate throughout the State of Oregon.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Series 1998 Revenue Bonds Moody's Rating A3	1	1	1	1
Outcome	Series 2000A&B Revenue Bonds Moody's Rating Aaa	1	1	1	1

**Performance Measure - Description**

Maintaining an investment grade bond rating limits the amount the County might otherwise have to pay towards annual debt service; (1)-indicates Moody's A3 rating or above, (0)-represents rating lower than A3. The debt repayment is linked to sound financial management in the Accountability priority. Both issues are investment grade. The Oregon Food Bank has prepaid all of its lease payment. The Port City lease had to be restructured to prevent a default. Multnomah County has never defaulted on a debt payment.

## Legal/Contractual Obligation

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
Program Expenses	2009	2009	2010	2010
Contracts	\$0	\$30,000	\$0	\$0
Debt Service	\$0	\$827,135	\$0	\$547,105
Unappropriated & Contingency	\$0	\$4,354,365	\$0	\$1,637,635
Subtotal: Direct Exps:	<b>\$0</b>	<b>\$5,211,500</b>	<b>\$0</b>	<b>\$2,184,740</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>\$5,211,500</b>	<b>\$0</b>	<b>\$2,184,740</b>
Program Total:	<b>\$5,211,500</b>		<b>\$2,184,740</b>	
Program FTE	0.00	0.00	0.00	0.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$31,500	\$0	\$34,740
Other / Miscellaneous	\$0	\$5,180,000	\$0	\$2,150,000
Program Revenue for Admin	\$0	\$0	\$0	\$0
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$5,211,500</b>	<b>\$0</b>	<b>\$2,184,740</b>

## Explanation of Revenues

Revenues are received from beginning working capital, interest earnings and lease payments from the Regional Children's Campus and Port City. The Oregon Food Bank prepaid their lease in FY 2006.

## Significant Program Changes

**Last year this program was: #10021, Revenue Bond Fund**

The Regional Children's Campus (RCC) was sold in FY 2008 and the proceeds from the property sale were used to retire the Series 1998 RCC debt in October 2008.