

Lead Agency: Non-Departmental - All

Program Contact: Mark Campbell

Program Offer Type: Existing Operating

Related Programs:

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 Port 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 \$2,845,000.

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 (FY08-09) | Current Year Purchased (FY09-10) | Current Year Estimate (FY09-10) | Next Year Offer (FY10-11) |
|--------------|---------------------------------|--------------------------------|----------------------------------|---------------------------------|---------------------------|
| Output | Moody's Rating of Aa3 or Better | 1 | 1 | 1 | 1 |
| Outcome | | 0 | 0 | 0 | 0 |

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 Aa3 rating or above, (0)-represents rating lower than Aa3.

Legal/Contractual Obligation

Bond covenants and repayment schedules. Multnomah County has never defaulted on a debt payment.

Revenue/Expense Detail

| | Proposed General Fund | Proposed Other Funds | Proposed General Fund | Proposed Other Funds |
|------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Program Expenses | 2010 | 2010 | 2011 | 2011 |
| Contracts | \$0 | \$0 | \$0 | \$8,000 |
| Debt Service | \$0 | \$547,105 | \$0 | \$547,665 |
| Unappropriated & Contingency | \$0 | \$1,637,635 | \$0 | \$1,136,835 |
| Total GF/non-GF: | \$0 | \$2,184,740 | \$0 | \$1,692,500 |
| Program Total: | \$2,184,740 | | \$1,692,500 | |
| Program FTE | 0.00 | 0.00 | 0.00 | 0.00 |
| Program Revenues | | | | |
| Fees, Permits & Charges | \$0 | \$34,740 | \$0 | \$35,000 |
| Other / Miscellaneous | \$0 | \$2,150,000 | \$0 | \$1,657,500 |
| Total Revenue: | \$0 | \$2,184,740 | \$0 | \$1,692,500 |

Explanation of Revenues

Port City pays \$2,700 per month toward retirement of their debt obligation.

Beginning Working Capital represents Oregon Food Bank prepayment of their debt obligation.

Significant Program Changes

Last year this program was: #10027, Revenue Bonds