

**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 bonds issued by the County on behalf of non-profit organizations.

The bonds were issued in support of Port City Development and the Oregon Food Bank. These bonds are authorized per Oregon statutes and County policy. They are backed by Motor Vehicle Rental Tax revenues and are scheduled to be completely paid off by the end of FY 2017.

### 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 million but not greater than \$10 million. The planned use of the revenue bond proceeds must be consistent with County policy priorities and mission.

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. County policy also limits the amount of revenue bonds that will be issued in partnership with nonprofits to \$8.5 million.

Proceeds of the outstanding revenue bonds were used to support programs and services to people with disabilities (Port City Development) and to provide food to the less fortunate throughout the State of Oregon (Oregon Food Bank).

### Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY09-10)	Current Year Purchased (FY10-11)	Current Year Estimate (FY10-11)	Next Year Offer (FY11-12)
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
<b>Program Expenses</b>	2011	2011	2012	2012
Contracts	\$0	\$8,000	\$0	\$8,000
Debt Service	\$0	\$547,665	\$0	\$547,265
Unappropriated & Contingency	\$0	\$1,136,835	\$0	\$625,425
<b>Total GF/non-GF:</b>	<b>\$0</b>	<b>\$1,692,500</b>	<b>\$0</b>	<b>\$1,180,690</b>
<b>Program Total:</b>	<b>\$1,692,500</b>		<b>\$1,180,690</b>	
<b>Program FTE</b>	0.00	0.00	0.00	0.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$35,000	\$0	\$38,280
Other / Miscellaneous	\$0	\$1,657,500	\$0	\$1,142,410
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$1,692,500</b>	<b>\$0</b>	<b>\$1,180,690</b>

### Explanation of Revenues

Port City pays \$3,190 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: #10026, Revenue Bonds