

BEFORE THE BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON

Establishing a County / Non-profit)
financial and programmatic partnership)
for the development of a Regional)
Children's Campus, including a)
contract for lease/purchase of land)
and buildings to the Edgefield)
Land Trust.)

RESOLUTION 95 - 219

WHEREAS, Edgefield Children's Center has approached the County with an innovative proposal for partnership in the establishment of a regional children's campus to provide a full continuum of mental health prevention and treatment services;

WHEREAS, the proposed vision for a Regional Children's Campus is consistent with the County's policies supporting achievement of the urgent benchmarks, integration of services and collaboration.

WHEREAS, the Edgefield Trust Board of Directors is pursuing capital fundraising in the amount \$ 1.4 million to pay for 40% of the cost of capital improvements and has requested that the County issue revenue bonds in partnership with non-profit agencies to provide project financing for the remaining costs;

WHEREAS, a financial policy and a program policy to guide the County when it contemplates issuing revenue bonds in partnership with non-profit agencies has been drafted for consideration by the Board of County Commissioners;

WHEREAS, it is the desire of the Edgefield Land Trust to enter into a contract with the County for lease/purchase of certain County property outlined on the attached map and the Board of County Commissioners committed to sell this site to Edgefield for market value in 1991, contingent upon successful fundraising ;

WHEREAS, it is the shared vision of the Edgefield Children's Center Board of Directors and the County that this collaborative effort shall serve as a new model for Non-profit / County partnership in leveraging philanthropic investment in integrated social services for our community;

WHEREAS, it is the intent of the directors and staff of the Edgefield Children's Center and the Edgefield Land Trust to work in partnership with the County through newly formed governance structure(s) for land development and program related decision-making;

WHEREAS, investment in the capital improvement plan prepared by Edgefield Children's Center will yield the infrastructure to support other development on the campus and the Janus Program and the Morrison Center have expressed interest in placing buildings on the campus;

WHEREAS, as conceived, this partnership would leverage significant private investment for the development of colocated social services facilities with no actual cash outlay requirement by the County; and

WHEREAS, the Edgefield Children's Center and the Edgefield Trust are committed to work with the County and other providers to collaboratively develop the property into a Regional Children's Campus which will meet a broad range of children and family needs and provide a location for the integration of services;

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners intends to allow the Edgefield Trust to lease/purchase the previously described site at appraised value including 27.54 acres, under a contract providing 40% prepayment and a lease rate paid over 15 years, and directs staff to proceed with the preparation of documents for such contract;

BE IT FURTHER RESOLVED that the Board of County Commissioners hereby directs staff to proceed with the preparation of documents for issuing revenue bonds in accordance with State law and the terms of the proposed financial and program policy guidelines ;

AND BE IT FURTHER RESOLVED that the Board Of County Commissioners hereby directs staff to provide other non-profit agencies and interested parties with the opportunity to review and comment on the County's proposed financial and program policy guidelines for the issuance of revenue bonds in partnership with the Edgefield Trust and, in the future, other non-profit agencies. Those policies shall be approved by the Board of County Commissioners prior to authorization of the sale of revenue bonds pursuant to ORS 288.815 et seq.

Approved this 5th day of October, 1995.



Multnomah County, Oregon

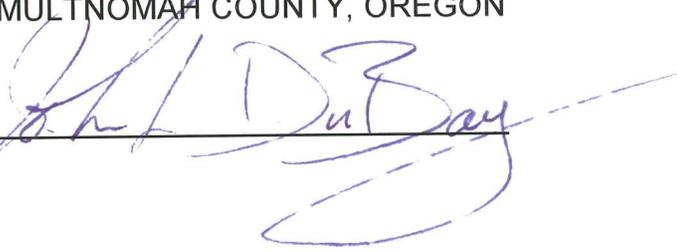
By:



Beverly Stein, Chair

REVIEWED:
LAURENCE KRESSEL, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON

BY:



FINANCIAL POLICY GUIDELINES FOR MULTNOMAH COUNTY ISSUING REVENUE BONDS IN PARTNERSHIP WITH NONPROFIT AGENCIES

The County may issue tax exempt revenue bonds in partnership with a 501(c)(3) non-profit agency. The non-profit agency is responsible for 100% of the capital project costs, all of the debt financing issue costs, any debt reserve requirements and will be responsible for the ongoing annual debt payments and other related costs. The County will issue debt not to exceed 60% of the total capital costs of the project and 100% debt financing and reserve requirements.

The County enjoys a very good credit rating and will not permit this rating to be negatively impacted. Before the County considers a proposal to assist a 501(c)(3) non-profit agency by issuing tax exempt revenue bonds to finance a capital project, the agency and the County must comply with the following. The conditions listed below are in addition to the applicable requirements contained in the County's Financial and Budget Policies, under the Short-Term and Long-Term Debt Financing section, adopted by the Board of County Commissioners as Resolution 95-182.

1 PRECONDITIONS:

- 1.1 The agency must be an IRS 501(c)(3) organization and must demonstrate that it cannot obtain conventional financing at a reasonable cost.
- 1.2 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.
- 1.3 The planned use of the revenue bond proceeds must be consistent with County policy priorities or benchmarks.
- 1.4 The agency must provide the County with five years of historical financial information and operational trends.
- 1.5 The agency must provide the County with a capital and business expansion plan including a five year revenue and expenditure forecast.
- 1.6 The agency must demonstrate its ability to conduct a capital fund raising campaign.
- 1.7 The agency must be non-discriminatory in providing access to its services and in its employment practices.
- 1.8 To initiate the County's review of the feasibility of a financial partnership, the agency must file a complete application in accordance with

instructions and requirements developed by Multnomah County to implement this policy .

2 **COST RESPONSIBILITIES:**

- 2.1 The agency is responsible for 100% of the capital project costs and related allowable debt issuance and reserve requirements. The County may assist the agency by issuing tax exempt revenue bonds to finance no more than 60% of the capital project and 100% of related allowable debt issuance and reserve costs. The agency is responsible for raising the remaining project funds.
- 2.2 The agency is responsible for all bond issuance costs.
- 2.3 The agency is responsible for submitting a \$1500 application review fee at the time of application; if the application is approved and bonds are issued, that \$1500 shall be subtracted from the amount due for reimbursement of administrative costs as set forth in Section 2.4.
- 2.4 Unless granted an exception by the Chair, County administrative costs of 0.1% of the bond issuance or \$10,000, whichever is more, are to be reimbursed by the agency or capitalized as part of the debt to be repaid by the agency.
- 2.5 The agency is responsible for all ongoing costs related to the financing. These include annual debt payments, paying agent costs, or other related costs. The agency is obligated for the term of the financing and may not have the option of a "nonappropriation" clause.
- 2.6 Before the County instructs the Bond underwriter to sell the bonds, the agency must have in hand 75% of the remaining project funds, as that term is used in Section 2.1. With the County's administrative agreement, up to 25% of the remaining project funds, as that term is used in Section 2.1, may be in the form of promissory notes from grantors or private contributors acceptable to the County.
- 2.7 It is expected that all private funds and promissory notes will be collected within one year of the County's authorization of the sale of revenue bonds. If the private funds are not collected within two years of the County's approval of bond financing, the County shall no longer be considered as committed to the revenue bond financing partnership unless the Board of County Commissioners expressly acts to extend the time period of that commitment.
- 2.8 The agency must provide the County an unencumbered cash reserve in the amount equal to at least six monthly payments or make monthly installment payments equal to 1/12 of the annual debt service requirement. Any interest earned on these funds remain the property of

the County and will be used to offset administrative costs during the term of the debt. Payments are to begin upon the issuance of the debt. This reserve is in addition to any reserves required by the financing.

- 2.9 If at least two agencies are not yet owners of facilities colocated at the project site by the date the County is otherwise prepared to instruct the Bond underwriter to sell the bonds, a \$10,000 non-refundable deposit shall be required from such a second agency as a good faith expression of its intent to colocate at the site within a specified period of time acceptable to the County. The funds shall be deposited in a County trust fund and shall be released for expenditure on facility improvements at the site on behalf of such second agency, as set forth in the provisions of the trust. If the second agency does not proceed with colocation at the site within the time period specified, the trust fund shall revert to the County's general fund.

3 OTHER CONDITIONS:

- 3.1 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.
- 3.2 The County will conduct a risk analysis and report this information to the Board of County Commissioners prior to approval of the debt. The County reserves the right to have a third party perform a credit analysis. At a minimum, the risk analysis will address the agency's ability to fulfill its obligations to repay the bonds.
- 3.3 Selection of the Bond Underwriter shall be mutually agreed upon by the County and the agency; however, selection of Tax Counsel shall remain the sole prerogative of the County.
- 3.4 The Board of County Commissioners must authorize the issuance of revenue bonds in accordance with the ORS 288.815 et seq.
- 3.5 Contractual language must be in place to protect the County in case of late payments or default by the agency.
- 3.6 The agency must provide an annual, independently audited financial report to the County.
- 3.7 Before the County instructs the Bond underwriter to sell the bonds, all land use approvals shall be issued and all appeals completed.
- 3.8 Before the County instructs the Bond underwriter to sell the bonds, at least one other non-profit agency shall be an owner of facilities at the project site which are used to serve that agency's clients. If this has been realized by the date the County is otherwise prepared to instruct the Bond underwriter to sell the bonds, it is permissible for a second agency to

demonstrate its' financial commitment to colocate facilities in accordance with the terms set forth in Section 2.9.

4 NON-PROFIT REVENUE BOND LIMITS:

- 4.1 In general , the County will not provide revenue bond financing for a non-profit agency for any project that is under \$1,000,000 or over \$4,000,000 in bonded indebtedness.
- 4.2 In accordance with the County's financial policy for long-term debt, the combined long-term debt of the County shall not exceed 5% of the County's General Fund revenues. Further, the issuance of revenue bonds in partnership with non-profit agencies shall be limited so as not to exceed \$ 6.5 million or 25% of the remaining available long-term debt capacity, whichever is more.
- 4.3 The maximum term of revenue bonds issued under this policy shall not exceed 15 years.

5 ADMINISTRATION OF THIS POLICY:

- 5.1 The Budget and Quality Office is responsible for coordinating the overall process of accepting and reviewing proposals by non-profits to enter into partnership with the County for revenue bond financing and for making recommendations to the Chair in considering these requests.
- 5.2 County operating department(s) with related programs are responsible for analyzing proposals for conformity with related program policy guidelines.
- 5.3 The Finance Division is responsible for analyzing proposals for conformity with these financial policy guidelines and for implementing revenue bond financing partnerships, as approved.

PROGRAM POLICY GUIDELINES FOR MULTNOMAH COUNTY ISSUING REVENUE BONDS IN PARTNERSHIP WITH NON-PROFIT AGENCIES

The purpose of this policy is to clarify the County's program related interests in issuing revenue bonds in partnership with non-profit agencies to support facilities improvements and the colocation of social services agencies in Multnomah County. This policy is a companion to the "Financial Policy Guidelines for Multnomah County Issuing Revenue Bonds In Partnership With Non-Profit Agencies." These guidelines have been developed in the context of a proposal for a partnership in establishing a Regional Children's Campus at Edgefield, but the intent is to develop a model which can also be used for future partnerships.

1 LEVERAGING PRIVATE INVESTMENT TO INTEGRATE SOCIAL SERVICES

- 1.1 The ability to successfully leverage substantial private investment for the development of social services facilities is important to the County ; this represents an opportunity for the County to demonstrate a new role for local government as a catalyst for social investment.
- 1.2 At least two agencies must be committed to a collaborative effort in any project in which the County provides revenue bond financing in order to ensure that an interlocking, multi-agency relationship is established as the foundation for services integration.

2 ALIGNMENT OF VISION, VALUES AND GOALS

- 2.1 Agencies must commit to a common vision including: providing integrated services that are easy for clients to access; active support for decategorized funding to support services integration; and commitment to shift the agencies' administrative focus from monitoring inputs to evaluating outcomes.
- 2.2 Agencies must commit to shared values with Multnomah County, as adopted by the Board of County Commissioners, at the time of application approval. [Refer to the approved values and goals of the Multnomah Commission on Children and Families.]
- 2.3 Agencies' adopted strategic goals must directly relate to the County's urgent benchmarks at the time of application approval.
- 2.4 Agencies with a history of contracting with public agencies to serve Multnomah County residents will generally be given preference because this will be viewed as a demonstrated commitment to serving Multnomah County residents most in need.

- 2.5 Agencies shall develop and update a strategic plan for the campus services at least every two years throughout the term of project financing. Such a strategic plan is intended to include vision, values, goals and long-term program development strategy; while the plan is intended to outline specific priorities for action within the subsequent 3-5 years, it is not intended to be a detailed operational plan. Plan development shall be a collaborative effort involving, at a minimum, services providers on site and the plan shall be presented to the BCC for their review and comment at a meeting or briefing session.

3 ASSURANCE THAT MULTNOMAH COUNTY CHILDREN & FAMILIES WILL BE SERVED

- 3.1 At a minimum, a majority of services in all programs offered on the campus during any calendar year shall be provided to residents of Multnomah County.
- 3.2 In order to assure that services are primarily dedicated to meet the needs of clients identified as "in need" by Multnomah County, agencies must commit to striving to serve a mix of public/private pay clients: roughly 75% publicly supported clients and 25% private pay clients.
- 3.3 Agencies shall accept "no refusal" clauses in contracts with the County to ensure clients needs are met as often as possible. The agencies shall also work in partnership with the County to develop service capacity and safe environments to appropriately serve clients with difficult/complex problems.

4 ASSURANCE THAT QUALITY CARE WILL BE PROVIDED

- 4.1 Agencies will, wherever appropriate, maintain accreditation of the highest quality, consistent with standards established by federal, state and local guidelines.

5 MAINTENANCE OF NON-PROFIT INDEPENDENCE FROM COUNTY

- 5.1 County contracting decisions will be made entirely independently from the revenue bond financing relationship.
- 5.2 Agencies have the right to decline opportunities to contract with the County if the rates established are not sufficient to support revenue bond repayment and operations at a level consistent with accreditation standards.
- 5.3 In general, agency operations shall be solely the purview of the non-profit agencies and the County shall not become involved except that in the event that terms of the financial agreement are breached.

6 DEVELOPMENT & MAINTENANCE OF THE PROPERTY

- 6.1 It is the intent of the County to work cooperatively with non-profit agencies with ownership of facilities on the site. The County will work cooperatively with these providers to prepare site plans, design improvements and to develop other capital plans.
- 6.2 A legally constituted representative body representing the non-profit agencies with ownership of facilities on the site shall be established to act as a "fair broker" for development and maintenance of the subject property.
- 6.3 It is the intent of the County to limit its project oversight and control activities to the level necessary to assure conformance with the laws, rules and procedures governing Multnomah County. The County shall defer other decisions to the legally constituted representative body representing the non-profit agencies with ownership of facilities on the site.
- 6.4 The legally constituted representative body representing the non-profit agencies shall review and approve applications for agencies to move onto the campus, in accordance with:
 - 6.4.1 the County's current financial and program related for issuing revenue bonds in partnership with non-profits; and
 - 6.4.2 the compatibility of the services to be provided by the applicant agency with those already provided by agencies on the site, in order to support services integration.
- 6.5 The County shall have no responsibility for the maintenance and repair of buildings or grounds, unless it elects to build its own building on the site.

7 INTERAGENCY COORDINATION OF OPERATIONS ON THE PROPERTY

- 7.1 A "campus council" or equivalent shall be established for the purpose of convening agencies collocated on the campus to promote planning and delivery of integrated services, to facilitate cooperation in campus operations and to advise the body referred to in section 6 above on capital development and maintenance concerns.
- 7.2 Such a campus council shall be open to any agency colocating services on the site, even if the agency does not own facilities on the site.

8 ADMINISTRATION OF THIS POLICY

- 8.1 The Budget and Quality Office is responsible for coordinating the overall process of accepting and reviewing proposals by non-profits to enter into partnership with the County for revenue bond financing and for making recommendations to the Chair in considering these requests.
- 8.2 County operating department(s) with related programs are responsible for analyzing proposals for conformity with these program policy guidelines.
- 8.3 The Finance Division is responsible for analyzing proposals for conformity with the related financial policy guidelines and for implementing revenue bond financing partnerships, as approved.

N.E. HALSEY

SCALE: 1"=300'



Fnd. Stone
W/ "X" in top
1' below
Surface.

PROPOSED CITY OF
WOOD VILLAGE PARCEL
6.87 ACRES

PROPOSED EDGEFIELD
CHILDREN'S CENTER

Point of Beginning
Section Corner
Found a 4 1/4"
Brass disc in a 6"x6"
Concrete Monument

SLOPE, UTILITY,
SIDEWALK, AND
DRAINAGE
EASEMENT
(95-97069)

Easement

PARCEL 1
174.938 ACRES

CITY OF TROUTDALE
OPEN SPACE
DELINEATION LINE

PROPOSED MULT. CO.
242ND CONNECTOR

PARCEL 3
7.716 ACRES
(SEE DETAIL ON SHEET
... (1))

0°05'20"E

