



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(revised 12/31/09)

### Board Clerk Use Only

Meeting Date:	<u>5/12/11</u>
Agenda Item #:	<u>R.6</u>
Est. Start Time:	<u>9:55 am</u>
Date Submitted:	<u>5/4/11</u>

**Agenda Title: RESOLUTION Reallocating Qualified Energy Conservation Bond (QECB)  
Volume Cap to the State of Oregon**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.*

<b>Requested Meeting Date:</b>	<u>May 12, 2011</u>	<b>Amount of Time Needed:</b>	<u>5 Minutes</u>
<b>Department:</b>	<u>County Management</u>	<b>Division:</b>	<u>Finance &amp; Risk</u>
<b>Contact(s):</b>	<u>Mark Campbell, Interim Director</u>		
<b>Phone:</b>	<u>(503) 988-6229</u>	<b>Ext.:</b>	<u>X86229</u>
<b>Presenter(s):</b>	<u>Mark Campbell</u>	<b>I/O Address:</b>	<u>503/5/531</u>

## General Information

### 1. What action are you requesting from the Board?

The State of Oregon has requested that any unused QECB volume cap authority be reallocated to the Department of Energy. This resolution relinquishes the County’s entire QECB allocation (\$1.7 million) to the State.

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

QECBs were one of a variety of tax credit bond programs that were either created or expanded in the American Recovery and Reinvestment Act (ARRA) of 2009. Similar bond programs were the Build America Bonds (BABs), Clean Renewable Energy Bonds (CREBs), and Recovery Zone Economic Development Bonds (RZEDBs). The County used its own allocation of RZEDBs plus an additional \$11.5 million allocation from the State of Oregon to assist in the financing of the East County Courthouse.

QECBs are similar to BABs and RZEDBs in that they offer a direct subsidy from the US Treasury for the interest portion of taxable debt issues. For QECBs that subsidy is 70% of the annual interest payment – a level that offers significant savings over a traditional, tax exempt financing.

The Governor’s Office approached the County in March to request a reallocation of the County’s share of QECBs to the State of Oregon. This request was made in support of Governor Kitzhaber’s “School Energy Efficiency Initiative”, a program designed to target and install projects that promise

energy saving measures in K-12 schools. Staff reviewed potential projects that the County could undertake that would qualify for use of this bond program. No projects were identified that were of a sufficient size or level of estimated savings that would justify the issuance costs associated with a “small” debt issue.

The volume cap for the entire State of Oregon is \$39.3 million. Multnomah County’s share of the total is \$1.7 million. The Governor’s “School Energy Efficiency Initiative” has identified a total of more than \$74 million in projects which could be financed. Approximately \$7.9 million is estimated for projects within Multnomah County.

This resolution returns the County’s entire QECB allocation to the State of Oregon. Through this process of reallocation we will be able to ensure use of the State’s total QECB volume cap and the costs of issuance will be much lower than if 13 separate jurisdictions were to pursue financing on their own.

**3. Explain the fiscal impact (current year and ongoing).**

N/A

**4. Explain any legal and/or policy issues involved.**

N/A

**5. Explain any citizen and/or other government participation that has or will take place.**

N/A

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**Required Signature**

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**Elected Official or  
Department/  
Agency Director:**



**Date:** 5/4/11