

GWENDOLYN GRIFFITH
Executive Director

TILLIE HASSON
Executive Assistant



OREGON FACILITIES AUTHORITY
1600 Pioneer Tower
888 SW Fifth Avenue
Portland, Oregon 97204
Phone: 503-802-5710
Email: ofa@tonkon.com

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To: House Committee on Transportation and Economic Development
From: Gwendolyn Griffith, Executive Director, Oregon Facilities Authority
RE: **HB 2492**

Dear Chair McKeown and Members of the Committee:

I am the Executive Director of the Oregon Facilities Authority ("OFA"), the state agency that works closely with the State Treasurer's Office to help nonprofit organizations in Oregon. Throughout its 26-year history, OFA has issued over \$3.2 billion in tax exempt revenue bonds. These bonds allow nonprofits to lower their cost of financing for real estate and equipment purchases, and to direct more resources to important services for Oregonians. The interest on the bonds is exempt from federal and state personal income taxes.

OFA bonds are not obligations of the State, and are not guaranteed by the State. OFA receives no support from public dollars; it relies solely on fees charged to borrowers in the program to carry on its work. OFA is governed by a 7-member volunteer Board appointed by the State Treasurer.

I am writing to encourage your support of HB 2492. Currently, OFA may only issue bonds for projects inside the State of Oregon. This bill would allow bonds to be issued for projects both within and outside Oregon. Allowing multiple state projects to be financed in a single transaction can significantly lower the cost of financing for nonprofits (such as hospitals and retirement communities) that have facilities in both Oregon and in other states. Multiple-state issuance is a trend we are seeing in other states.

HB 2492 includes two critical restrictions:

- The state personal income tax exemption is available only for projects within Oregon; and
- Only nonprofits with operations or facilities in Oregon can benefit from the bill.

In addition, HB 2492 will help strengthen OFA's program for smaller nonprofits. OFA facilitates access to the tax exempt market for smaller nonprofits through its innovative "SNAP Bond" program. Oregon nonprofits typically use this program to acquire buildings to be used in providing valuable services to Oregonians. The average size of a SNAP Bond is \$2.3 million. Yet the services provided by OFA to the smaller nonprofits would not be possible without the fees paid by the larger borrowers in OFA's Traditional Bond program. HB 2492 will help secure that source of funding so that SNAP Bond borrowers can continue to access the tax exempt bond market at a reasonable cost.

I urge you to support HB 2492. The OFA Board Members and I are happy to answer any questions you may have. Thank you for your consideration of this bill.