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Щоб попросити переклад або спеціальні послуги для осіб з особливими потребами, зверніться до нас, скориставшись такими контактними даними: **bcc@clackamas.us** | **503-655-8581**.

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Clackamas County

www.clackamas.us

CLACKAMAS COUNTY

Department of Finance
Public Services Building
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

September 17, 2026

Board of County Commissioners of Clackamas County

Members of the Board:

Approval of Board Orders to authorize borrowing and the Issuance of Tax-Exempt Revenue Bonds for the Clackamas County Recovery Campus, in an Amount Not to Exceed $10,300,000. Funding is through bond purchasers. No County General Funds are involved.

Previous Board Action/Review: 04-07-23 BCC approved a resolution to develop a recovery center

07-29-26 BCC approved grant agreement and lease with Fora Health, Inc.

Performance Clackamas: Build Public Trust Through Good Government, hold transparent and clear public processes regarding borrowing

Counsel Review: Yes **Procurement Review:** N/A

Contact Person: Andrew Naylor, Assistant County Counsel, Dan Johnson, Interim Finance Director
Contact Phone: 503-742-4623, 503-742-5405

EXECUTIVE SUMMARY:
The Clackamas County Recover Campus (Recovery Campus) will provide a location that provides a continuum of services to adults with substance use disorders. It will include two new two-story buildings on an existing county-owned land parcel at 15301 SE 92nd Ave in Clackamas, Oregon. Building 1 will include withdrawal management, residential treatment, and support services. Building 2 will include transitional housing and outpatient services to support successful community reintegration.

The operator will be Fora Health, Inc., formerly known as De Paul Treatment Centers. Fora Health is one of Oregon's oldest (50+ years), largest and most respected non-profit treatment centers providing treatment for substance use disorders and co-occurring mental health disorders. In line with Fora Health's care philosophy, the project will create a modern, welcoming environment featuring:

- Withdrawal Management: Triage space, clinical exam rooms, with16 withdrawal management beds
- Residential Treatment Space: Twenty-four residential treatment beds
- Transitional Housing: Thirty-six transitional housing beds

The project budget of approximately $45.0 million includes costs for property purchase, pre-development, construction, contingency, and debt issuance. Construction is scheduled to be completed by late fall 2027.
The total cost of the Recovery Campus is estimated to be $45.0 million with funding from multiple sources shown in the table below:

If the $2.5 million federal earmark is not received, there is a funding gap of $10.3 million (including contingency, project and debt issuance costs). Opioid settlement funding has been identified as an appropriate repayment source for the debt.

As the operator, Fora Health, Inc., is a non-profit organization, Clackamas County retains the ability to issue tax-exempt debt.

Tax-exempt financing is allowed if, among other things, certain procedures under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) are followed:

	$ in Millions	Description		$ in Millions
	w/ Federal $			*w/o Federal $*
$	42.8	Recovery Campus - Land and Construction Costs	$	42.8
$	2.2	Contingency, Project, and Issuance Costs	$	2.2
$	45.0		$	45.0
		Funding Sources - Confirmed as of 08.31.26		
$	13.5	Supportive Housing Services Allocation	$	13.5
$	10.0	Oregon Health Authority State Award	$	10.0
$	5.0	Oregon State Lottery Bonds	$	5.0
$	2.9	Opioid Settlement	$	2.9
$	2.1	American Rescue Plan Act	$	2.1
$	1.0	County Behavioral Health Fund Balance	$	1.0
$	0.2	Trillium Community Health Plan	$	0.2
$	0.1	County H3S Department Administration	$	0.1
$	34.6	Funding Sources - Confirmed as of 08.31.26	$	34.6
$	*2.5*	*Federal Earmark - Unconfirmed as of 08.31.26*	*$*	*-*
$	37.1	***Available funding***	$	34.6
$	*7.8*	*Financing needed*	*$*	*10.3*

1. Appropriate notice is published at least 7 days in advance, and a public hearing is held on the subject.

2. The Internal Revenue Code 147(f) requires elected officials having jurisdiction where the Recovery Campus will operate - in this case, the Board of County Commissioners - must approve the issuance of the debt after a public hearing is held on the subject (TEFRA hearing). A draft order approving the issuance of the bonds is attached for the Board's consideration.

RECOMMENDATION:

Staff recommends the Board hold a public hearing on the subject, weigh the evidence presented thereby, and decide whether or not to approve the issuance of the debt. If the Board makes the determination to approve the issuance of the described debt, it will adopt the two draft orders attached; one for the TEFRA hearing, and a second order to give authority to the County Finance Director, the County Budget Manager, or their designee, to proceed with the financing and make elections on behalf of Clackamas County.

Respectfully submitted,

Ryan Rice

Ryan Rice,
Interim Deputy Finance Director

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of Authorizing a Borrowing to Provide a Recovery Campus	Resolution No. *Page 1 of 3*

WHEREAS, the County is authorized by ORS Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the Board of County Commissioners determines is needed, and to authorize certificates of participation in the right to receive the payments due from the County under those financing agreements; and

WHEREAS, the County is authorized by ORS 287A.105 to incur bonded indebtedness within the meaning of Section 10, Article XI of the Oregon Constitution; and

WHEREAS, the estimated weighted average life of a financing agreement shall not exceed the estimated dollar weighted average life of the real or personal property to be financed or refinanced by such financing agreement; and

WHEREAS, the County desires to obtain financing in a maximum principal amount of not more than $10,300,000 to provide a Recovery Campus, expected to include two new two-story buildings to provide withdrawal management, residential treatment, and support services, transitional housing and outpatient services (collectively, the “Project”); and

WHEREAS, the Project will be owned by the County and is expected to be managed and operated by Fora Health, Inc., a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the County may make expenditures on the Project (the “Expenditures”) before the County borrows to finance the Project, and the rules of the United States Internal Revenue Service require the County to declare its official intent to reimburse itself for amounts that the County will spend before it borrows, in order for the County to reimburse itself for those Expenditures from the proceeds of a tax-exempt borrowing;

NOW THEREFORE, the Clackamas County Board of Commissioners does hereby resolve as follows:

<u>Section 1. Finding of Need.</u> The Board determines that the Project is needed, and that it is desirable to finance the Project.

<u>Section 2. Authorization.</u> The County may obtain financing in a maximum principal amount of not more than $10,300,000 (the “2026 Borrowings”) to provide the Project and pay the estimated costs of the 2026 Borrowings under the authority of ORS 271.390, ORS 287A.105 and the other applicable provisions or ORS Chapter 287A.

<u>Section 3. Declaration of Intent to Reimburse.</u> The County hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself with the proceeds of the 2026 Borrowings for any Expenditures paid before the 2026 Borrowings are issued.

Section 4. Delegation. The County Finance Director, the County Budget Manager, or a designee of either of those officials (each a "County Official") are hereby authorized, on behalf of the County and without further action by the Board, to:

1. Enter into one or more 2026 Borrowings for the purposes described in this Resolution and enter into one or more escrow agreements that authorize the escrow agent to issue obligations (the "Obligations") that are payable from payments the County makes under the 2026 Borrowings.

2. Determine whether the interest payable on each 2026 Borrowing will be includable in gross income or excludable from gross income under the Code.

3. Covenant for the benefit of the owners of tax-exempt obligations to comply with all provisions of the Code which are required for the interest component of financing payments payable under the related 2026 Borrowings to be excluded from gross income for federal income tax purposes.

4. Issue the 2026 Borrowings as "qualified 501(c)(3) bonds" under the Code, if applicable.

5. Designate the 2026 Borrowings as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, if applicable.

6. Deem final and authorize the distribution of a preliminary official statement for each series of Obligations, authorize the preparation and distribution of a final official statement or other disclosure document for each series of Obligations, and enter into agreements to provide continuing disclosure for owners of each series of Obligations.

7. Apply for and purchase ratings, municipal bond insurance, or other forms of credit enhancements for the 2026 Borrowings and the Obligations, and enter into related agreements, as necessary.

8. Enter into additional covenants for the benefit of the purchasers of the 2026 Borrowings and the Obligations which the County Official determines are desirable to sell the 2026 Borrowings and the Obligations on favorable terms.

9. Engage the services of escrow agents, paying agents and any other professionals whose services are desirable to accomplish the financings.

10. Negotiate and enter into agreements with Fora Health, Inc. and other entities to further secure the 2026 Borrowings and Obligations or comply with covenants related to the use of proceeds and the Project.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of Authorizing a Borrowing to Provide a Recovery Campus	Resolution No. *Page 3 of 3*

11. Subject to the limitations of this Resolution, determine the final principal amount of each 2026 Borrowing, the interest rate or rates which each 2026 Borrowing and each series of Obligations shall bear, and the County's prepayment rights and other terms of each 2026 Borrowing and each series of Obligations.

12. Solicit competitive bids for the purchase of each series of the Obligations and award their sale to the bidder offering the most favorable terms to the County, select one or more underwriters, negotiate the terms of the sale of each series of Obligations, and sell that series to those underwriters; or select one or more commercial banks or other lenders, negotiate the terms of the sale of each 2026 Borrowing and sell each 2026 Borrowing to those commercial banks or lenders.

13. Execute and deliver any other certificates or documents and take any other actions which the County Official determines are desirable to accomplish the financing with the 2026 Borrowings and the Obligations in accordance with this Resolution.

Section 5. Security. The 2026 Borrowings shall constitute bonded indebtedness and be subject to the limits of ORS 287A.105. The obligation of the County to make financing payments under the 2026 Borrowings shall be unconditional. Pursuant to ORS 287A.315, the County Official may pledge the County's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, and may agree to pay the 2026 Borrowings from any and all of the County's legally available funds, including specific revenue sources, such as revenues from the Project. Subject to the limitations of this Resolution, the 2026 Borrowings may be in such form and contain such terms as the County Official may approve, including covenants for the benefit of the lenders or credit enhancement providers.

Section 6. Effective Date. This Resolution shall take effect on its date of adoption.

DATED this _____ day of ____________, 2026

BOARD OF COUNTY COMMISSIONERS

____
Chair

____
Recording Secretary

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of the Board of County Commissioners, Clackamas County, Oregon, Concerning Approval of the Issuance of a Tax-Exempt Financing by the County	}	Board Order No. *Page 1 of 2*

WHEREAS, the Board of County Commissioners (the "Board") of Clackamas County, Oregon (the "County") adopted Resolution No. on September 17, 2026, authorizing the County to enter into one or more financing agreements (the "Financing") in an amount not to exceed $10,300,000;

WHEREAS, the proceeds from the sale of the Financing will be used to (i) finance or reimburse all or a portion of the costs of constructing two new two-story buildings to provide withdrawal management, residential treatment, support services, transitional housing, and outpatient services at the County's Recovery Campus, located within the boundaries of the County at 15301 SE 92nd Ave, Clackamas, OR 97015 (the "Project"); and (ii) pay costs relating to the issuance of the Financing;

WHEREAS, the Project will be owned by the County and is expected to be managed and operated by Fora Health, Inc., a nonprofit organization described in Section 501(c)(3) of the Code;

WHEREAS, in order for interest on the Financing to be excludable from gross income for federal income tax purposes, the issuance of the Financing must, among other things, be approved by the governmental unit issuing the Financing, in compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, among other things, Section 147(f) of the Code, requires that "qualified 501(c)(3) bonds" be approved by the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located;

WHEREAS, the Board, as the governmental unit issuing the Financing and the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located, desires to approve, for purposes of Section 147(f) of the Code, the issuance of the Financing by the County following a public hearing. The Board, having provided notice as contemplated by Section 147(f) of the Code, has conducted a public hearing regarding the issuance of the Financing and has invited oral and written comments from the public;

NOW THEREFORE, the Clackamas County Board of Commissioners do hereby order:

Section 1. Public Hearing. As the governmental unit issuing the Financing and the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located, and having held the public hearing following notice as described above which provided a reasonable opportunity for members of the public to express their views regarding the issuance of the Financing and the uses and purposes of the proceeds of the Financing, the Board approves of the issuance of the Financing in a maximum aggregate issue price not to exceed $10,300,000 by the County as required by Section 147(f) of the Code.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of the Board of County Commissioners, Clackamas County, Oregon, Concerning Approval of the Issuance of a Tax-Exempt Financing by the County	}	Board Order No. *Page 2 of 2*

Section 2. **<u>Effective Date of Resolution</u>.** This Resolution shall take effect immediately upon its adoption by the Board of County Commissioners.

DATED this _____ day of ____________, 2026

BOARD OF COUNTY COMMISSIONERS

____
Chair

____
Recording Secretary