



Supporting the *MetroHealth* Campus Transformation Project

R2017-0055

Committee of the Whole

March 28, 2017

Background + Rationale

- Debt Service Reserve Fund (DSRF)
 - Often funded from borrowed amount
 - Pays bondholders in event of missed payment
 - Often sized equal to one year's debt service payments
- Rationale
 - Support MetroHealth Plan of Finance
 - Advance the Transformation
 - Preserve county fiscal priorities

Proposal

- Variation on a *County-funded Debt Service Reserve*
- *Variation* = Letter of Credit Facility
 - Secure a Letter of Credit from bank(s) instead of self-funding
 - Fees
 - Metro to reimburse in event of a draw
 - Unreimbursed draws result in a reduction of the LC amount
 - Risk ceiling
- Limited Term
- Community Benefits

Benefits

- Support the MetroHealth Transformation Plan
- Upfront savings and throughout term
- Limited risk
- Limited term
- Partnership for community benefits

Next Steps

- Complete due diligence and pursue definitive agreement(s)
- Review Letter of Credit pricing and define fees
- Continue support of MetroHealth Plan of Finance