

## **Oregon Facilities Authority**

### **Minutes of Meeting of**

March 14, 2016

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on March 14, 2016, commencing at approximately 12:00 p.m. at 888 SW Fifth Ave., Suite 1600, Portland, OR 97204.

Authority Members present and participating during the meeting were: Chair Sean Hubert, Vice-Chair Martha McLennan, and Members Javier Fernandez, Karen Weylandt and Beth deHamel. Authority Member Sue Cutsogeorge appeared by telephone.

Participating in person to assist the Authority were: Gwendolyn Griffith, Executive Director of the Authority; Jessica Morgan, Associate Executive Director of the Authority; Pat Clancy of Western Financial Group, Financial Adviser; Carol McCoog of Hawkins Delafield & Wood LLP, SNAP and Special Bond Counsel; Michael Schrader of Orrick, Herrington and Sutcliffe, Lead Bond Counsel; Lynn Nagasako, Assistant Attorney General; and Lee Anaya, Office of the State Treasurer ("OST").

Mr. Hubert called the meeting to order and presented the notice of meeting.

#### **Oversight Discussion**

Mr. Hubert updated the Board on a conversation that he and the Vice Chair had with OST regarding the level of involvement by state agencies in the oversight, due diligence and inspections of housing projects. After a lengthy discussion, it was the sense of the Board, OST and the OFA advisers that OFA's current level of involvement is appropriate and there is no need for higher level of scrutiny or borrower requirements.

#### **Oregon Bond Calendar and Other Items – Informational Only**

Ms. Griffith notified the Board that she would be on a leave of absence beginning on April 13th and continuing until mid-May. Ms. Morgan will be on hand during her absence.

Ms. Hasson reminded the Board of the Statement of Economic Interest. The online filing must be completed by April 15, 2016. If any Board member needs assistance with the new process, he or she should contact Ms. Hasson.

#### **Executive Director's Reports**

Ms. Griffith directed the Board's attention to the Bonding Report and General Report. Bond Counsel updated the Board on the status of pending transactions, and Ms. Griffith described her conversations with several potential borrowers.

## **Approval of Minutes**

The Minutes of the meeting of December 2, 2015, were unanimously approved.

*The Board took a brief recess.*

## **Consideration of the Application by EagleRidge High School ("Applicant") for Preliminary Approval for an OFA SNAP Bond in an amount not to exceed \$2,400,000.**

Mr. William Ganong, Board Member of the Applicant, Ms. Carol Dougan, Board Member of the Applicant, Ms. Kimberly Cahill, EagleRidge Teacher, and Mr. Donald Peterson, School Director, appeared by telephone on behalf of the Applicant to present the application. Ms. Tessa Koch of the sponsoring bank, Washington Federal, appeared in person to assist in the presentation.

Mr. Ganong, Mr. Peterson and Ms. Cahill updated the Board on the history, demographics and culture of the Applicant via a PowerPoint presentation, a copy of which is available upon request. The Applicant is a public charter school in the Klamath Falls City School District which opened in 2007 to help improve the School District's statewide assessment scores and graduation rate. The success of the EagleRidge program has earned its students and staff recognition over the past two years from US News as one of the best high schools in America.

Since 2009, the Applicant has been operating under a lease from EagleRidge Community Development, LLC, an entity formed by 11 community members (including the Applicant) for the purpose of purchasing and facilitating the construction of the grounds and building occupied by the Applicant. The Applicant has a right to purchase all of the membership units of the operating agreement which expires in 2016. The Applicant initially intended to exercise that purchase right in order to refinance the existing debt against the real property and utilize the SNAP Bond financing program offered by OFA. However, the Applicant and other members of EagleRidge Community Development have agreed to sell the property to the Applicant directly, which simplifies the transaction.

Ms. Koch reviewed the financing plan. This will be a 10-year fixed rate loan at an estimated 3.64% interest rate. The Bank would be waiving all prepayment fees.

*Bond Counsel's Report is included in the materials.* Ms. McCoog described the amendment to the description of the transaction for SNAP Bond financing, and recommended the transaction for preliminary approval.

*The Financial Adviser's Report is included in the materials.* Mr. Clancy reviewed the transaction and noted that the transaction is substantially the same as described by the Applicant. He recommended the transaction for preliminary approval.

*The Executive Director's Report is included in the materials.* Ms. Griffith reviewed the issues discussed by Bond Counsel and recommended the transaction for preliminary approval.

**After discussion, Mr. Hubert moved that the Authority adopt Resolution 2016-1, granting preliminary approval for an OFA SNAP Bond for EagleRidge High School in an approximate amount \$2,400,000. Ms. McLennan seconded the motion and Resolution 2016-1 was unanimously approved.**

**Other Items and Public Comment:**

Mr. Hubert asked for public comment. There was none.

There being no further business to come before the meeting, the meeting was adjourned at approximately 2:30 p.m.

/s/ Sean Hubert  
Sean Hubert, Chair

/s/ Gwendolyn Griffith  
Gwendolyn Griffith, Executive Director

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