

AGENDA BOOK  
OREGON FACILITIES AUTHORITY  
Business Meeting

**June 11, 2018**

Tonkon Torp LLP  
888 SW Fifth Ave., Suite 1600, Portland, OR 97204

**Gwen Griffith**  
OREGON FACILITIES AUTHORITY  
**AGENDA BOOK**

034439/00001/8329046v1

**SUMMARY AGENDA  
OREGON FACILITIES AUTHORITY  
Business Meeting  
June 11, 2018  
12:00 PM – 1:00 PM – OFA Business  
1:00 PM – 3:00 PM – Bond Applications  
888 SW Fifth Ave., Suite 1600, Portland OR**

<b>Tab</b>	<b>Item</b>	<b>Action Required</b>
<b>1</b>	Approval of Minutes of May 14, 2018	<b>No</b>
<b>2</b>	Executive Director's Reports	<b>No</b>
	Consideration of Budget for FY 2018-2019	<b>Yes</b>
<b>3</b>	Informational Items	<b>No</b>
<i>Brief Recess</i>		
<b>4</b>	Consideration of Preliminary Approval for the Application by Greenhill Humane Society and Society for the Prevention of Cruelty to Animals for an OFA SNAP Loan in an approximate amount of \$2,150,000	<b>Yes</b>
	Other Matters for the Authority	<b>No</b>
	Public Comment	<b>No</b>

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The meeting is at:  
888 SW Fifth Ave., Suite 1600, Portland, OR 97204  
**To attend by teleconference,**  
Dial-In #: 888-529-0350  
Participant Passcode: 503 802 2102

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*OFA helps nonprofit organizations access lower cost financing for capital projects by facilitating the issuance of tax exempt conduit revenue bonds.*

**WORKING AGENDA  
OREGON FACILITIES AUTHORITY  
Business Meeting  
June 11, 2018  
888 SW Fifth Ave., Suite 1600, Portland, OR  
12:00 PM – 1:00 PM – OFA Business  
1:00 PM – 3:00 PM – Bond Applications**

<u>Tab</u>	<u>Discussion and Action</u>	<u>Time</u>
	<b>Call to Order and Present Notice of Meeting</b>	<b>12:00</b>
<b>1.</b>	<b>Approval of Minutes of May 14, 2018</b>	<b>12:00 – 12:05</b>
<b>2.</b>	<b>Executive Director's Reports</b> <i>Bonding Report</i> <i>General Report</i>	<b>12:05 – 12:20</b>
	<b>Consideration of Budget for FY 2018-2019</b>	<b>12:20 – 12:45</b>
<b>3.</b>	<b>Oregon Bond Calendar and Other Items – Informational Only</b>	<b>12:45 – 12:55</b>

*Meeting recess to change rooms*

<b>4.</b>	<b>Consideration of Preliminary Approval for the Application by Greenhill Humane Society and Society for the Prevention of Cruelty to Animals for an OFA SNAP Loan in an approximate amount of \$2,150,000</b>	<b>1:00 – 1:45</b>
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*We will hear from:*

The Applicant:	Mr. Cary Lieberman, Executive Director
The Sponsoring Bank:	Ms. Jamie Louie-Smith, Columbia Bank
SNAP Loan Counsel:	Ms. Carol McCoog, Hawkins Delafield & Wood LLP
Financial Adviser:	Mr. Duncan Brown, PFM
OFA Executive Director:	Ms. Gwendolyn Griffith

**Recommended action:** *Approval of Resolution 2018-6, granting preliminary approval to Greenhill Humane Society and Society for the Prevention of Cruelty to Animals for an OFA SNAP Loan in an approximate amount of \$2,150,000.*

<b>None</b>	<b>Public Comment: <u>No Action Required</u></b>	<b>1:45 – 2:00</b>
<b>None</b>	<b>Other Matters for the Authority: <u>No Action Required</u></b>	<b>2:00 – 2:15</b>

# TAB 1

## **Oregon Facilities Authority**

### **Minutes of Meeting of**

May 14, 2018

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on May 14, 2018, commencing at approximately 12:00 p.m. at 888 SW Fifth Avenue, Suite 1600, Portland, Oregon.

Authority Members participating in the meeting (in person, unless otherwise indicated) were: Chair Martha McLennan, Vice-Chair Eric Johansen, and Authority Members Beth deHamel, Karen Weylandt, J. Kevin McAuliffe (on the phone) and Allyson Anderson (beginning at 1 pm).

Participating in the meeting to assist the Authority were: Gwendolyn Griffith, Executive Director of the Authority; Duncan Brown of PFM, Financial Adviser; Carol McCoog of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Michael Schrader and Douglas Goe of Orrick, Herrington and Sutcliffe LLP (on the phone), Lead Bond Counsel; Laura Lockwood-McCall and Lee Anaya of the Office of the State Treasurer ("OST"); and Assistant Attorney General Steven Marlowe, Oregon Department of Justice ("DOJ").

Chair McLennan called the meeting to order and presented the notice of meeting.

### **Executive Director Reports**

Ms. Griffith directed the Board's attention to the Bonding Report and General Report, both of which were included with the materials. Ms. Griffith highlighted a recent presentation made to Columbia Bank about SNAP Loans, and plans for a similar presentation to U.S. Bank. SNAP Loan and Special Bond Counsel described a potential project with Willamette United soccer club, identifying potential issues of private use as a result of sponsorship and naming rights. The Board followed up on prior discussion of H.R. 5003, a federal bill that would restore the ability for nonprofits and state/local governments to advance refund tax-exempt municipal debt, and queried if OFA should write a letter to Oregon's congressional delegation similar to the one written by the Oregon Municipal Debt Advisory Commission. Ms. Lockwood-McCall shared it would be appropriate. The Board requested that Ms. Griffith write a letter for the Board Chair and Vice-Chair to sign.

### **Approval of Minutes**

Mr. Johansen suggested one edit to the second page, last sentence of the third paragraph, to change "*10 years*" to the actual term of the bond, which Ms. Griffith will confirm. The Minutes of the meeting of April 9, 2018, as corrected, were unanimously approved.

### **Discussion of OFA Administrative Rules**

Mr. Schrader provided summary of the administrative rules that prevent sales to individual investors unless the bonds have received an investment grade rating or in some situations have

received two ratings. A discussion ensued on the OFA policy and history of sales to individual investors and various protections that have been used or suggested. No decisions were made.

*The Board took a brief recess and reconvened at approximately 1:00 p.m. Ms. Anderson joined the meeting. Mr. Goe exited the meeting.*

**Consideration of Amendment of Resolution 2018-1, which granted Preliminary Approval to Northwest Housing Alternatives.**

Ms. McLennan declared an actual conflict of interest for the transaction to be considered by the Authority. Ms. McLennan explained that she is the Executive Director of the Applicant, Northwest Housing Alternatives, Inc., and that she would neither be participating in the discussion nor voting on this matter. She asked the Vice-Chair, Mr. Johansen, to serve as Chair for this part of the meeting and he agreed to do so.

Mr. Steven McMurtrey, Housing Director, appeared on behalf of the Applicant to present the request. Ms. Kathy Swift of Heritage Bank, the sponsoring bank, appeared to assist with the presentation.

Mr. McMurtrey described the need for the amendment: Northwest Housing Alternatives has formed a single member LLC, Ever Onward Campus 2018 LLC, which will be the owner of the Project and the amendment changes the Applicant to be this LLC. His presentation materials are available upon request. Otherwise, the Project as approved remains the same.

Ms. Swift confirmed that the Project financing terms remain the same. The housing portion of the Project would likely close in May, and the financing team is hoping for a closing of the SNAP financing in July.

Ms. McCoog, SNAP Loan Counsel, reported that the Project is unaffected by the amendment and recommended the amendment be granted. She noted that the LLC is a disregarded entity for tax purposes so it still meets the SNAP requirements.

Executive Director Griffith observed that single member LLC structure is familiar to OFA given previous transactions. She recommended that the Board approve the amendment.

**After discussion, Ms. deHamel moved that the Authority adopt Resolution 2018-3, amending Resolution 2018-1 which granted Preliminary Approval to Northwest Housing Alternatives for an OFA SNAP Loan. Ms. Anderson seconded the motion, and Resolution 2018-3 was unanimously approved.**

Ms. McLennan did not participate in the discussion or the vote.

Mr. Johansen asked that Ms. McLennan resume her role as Chair, and she agreed to do so.

**Reconsideration of Approval for the Application by Warner Pacific University for an OFA SNAP Loan in an approximate amount of \$5,200,000.**

Mr. Steve Stenberg, Advisor to the President, and Mr. Douglas Wade, Vice President of Finance, appeared on behalf of the Applicant to present the application. Mr. Rorie Leone, Vice President, Washington Trust Bank, the sponsoring bank, appeared to assist with the presentation.

Mr. Stenberg and Mr. Wade shared the background on their RFP process and selecting Washington Trust Bank for participation in the program. They presented a revised application confirming that the scope of the Project remains the same: the refinancing of three existing loans with Bank of the West.

Mr. Leone presented the financing terms. The financing is proposed as a 10-year loan, amortized over 20 years.

Ms. Griffith recapped the pathway that this Application taken to date: conditional final approval was given in November, 2017, but the original sponsoring bank withdrew from participation. Given that history, and that this is a new sponsoring bank, the requested action is a preliminary approval. She recommended the transaction for preliminary approval.

Ms. McCoog observed that the previous conditional final approval did not result in the transaction getting well underway, except that a TEFRA hearing had been held in December. She described the diligence process that would be undertaken and recommended the transaction for preliminary approval.

**After discussion, Mr. Johansen moved that the Authority adopt Resolution 2018-4, granting Preliminary Approval to Warner Pacific University for an OFA SNAP Loan in an approximate amount of \$5,200,000. Ms. deHamel seconded the motion, and Resolution 2018-4 was unanimously approved.**

**Consideration of Administrative Rule Waiver for the Application by Arco Iris Spanish Immersion School, which was previously granted Preliminary Approval.**

Ms. Christa Billings, Board President and Mr. Robert Timmons, Board Treasurer, appeared on behalf of the Applicant to present the request. Mr. David Robertson of Lewis Young Robertson & Burningham, Inc., Financial Advisor to the Applicant, appeared to assist with the presentation. Ms. Jacqueline Shanes, Counsel to Hamlin Capital Management, LLC, appeared by phone.

Mr. Timmons presented the request for waiver, and Mr. Robertson explained how the structure of the purchase of the bonds by investors in the Hamlin structure resulted in a single point of contact with OST/OFA for the bonds. Their presentation materials are available upon request. Ms. Shanes directed the Authority's attention to her memorandum, included in the agenda book, and explained the structure of the Hamlin program, with particular attention to the \$500,000 minimum denomination and new CUSIP number for any bond withdrawn from that structure. The Authority discussed various aspects of the waiver request.

Mr. Brown reported on his conversations with the Applicant, Hamlin and members of the financing team.

Ms. Griffith reported on her conversations with the financing team. She noted that even if waiver is granted, several outstanding issues remain for resolution. She recommended granting of the waiver, and reported that if approval is given, the financing team would expect to seek final approval in June and an end-of-June or early July closing.

*Ms. deHamel exited the meeting.*

**After discussion, Mr. Johansen moved that the Authority adopt Resolution 2018-5, granting to Arco Iris Spanish Immersion School a waiver of certain requirements of OFA's Administrative Rules to permit the Bonds (a) to be sold to individual accredited investors in minimum denominations of not less than \$25,000; provided, that such investors purchase and hold the Bonds through an account with Hamlin Capital Management, LLC (the "Hamlin Investors"); and (b) to be purchased by an investor that is not a Hamlin Investor, provided that such Bonds shall be held in minimum denominations of not less than \$500,000, and such Bonds are assigned a new CUSIP number. Ms. Anderson seconded the motion, and Resolution 2018-5 was unanimously approved.**

Ms. McLennan asked for any public comment. There was none.

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

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Martha McLennan, Chair

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Gwendolyn Griffith, Executive Director

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# TAB 2

**OREGON FACILITIES AUTHORITY**

Gwendolyn Griffith  
Executive Director

**MEMORANDUM**

To: Martha McLennan, Chair  
Eric Johansen, Vice-Chair  
Karen Weylandt, Authority Member  
Kevin McAuliffe, Authority Member  
Beth deHamel, Authority Member  
Sean Hubert, Authority Member  
Allyson Anderson, Authority Member

From: Gwendolyn Griffith

Date: June 7, 2018

Subject: Executive Director's Bonding Report as of June 1, 2018

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**REPORT ON PENDING APPLICATIONS**

<u>Status</u>	<u>Applicant/Type</u>	<u>Amount Requested</u>
Pending:	Human Solutions (S)	\$ 1,800,000
	Warner Pacific University (S)	\$ 5,200,000
	Northwest Housing Alternatives (S)	\$ 4,400,000
	<u>Arco Iris Spanish Immersion School (T)</u>	<u>\$ 9,500,000</u>
	Total:	\$ 20,900,000

**STATUS OF BONDING AUTHORITY – 2017-2019 Biennium**

**Summary of 2017-2019 Biennium Financing:**

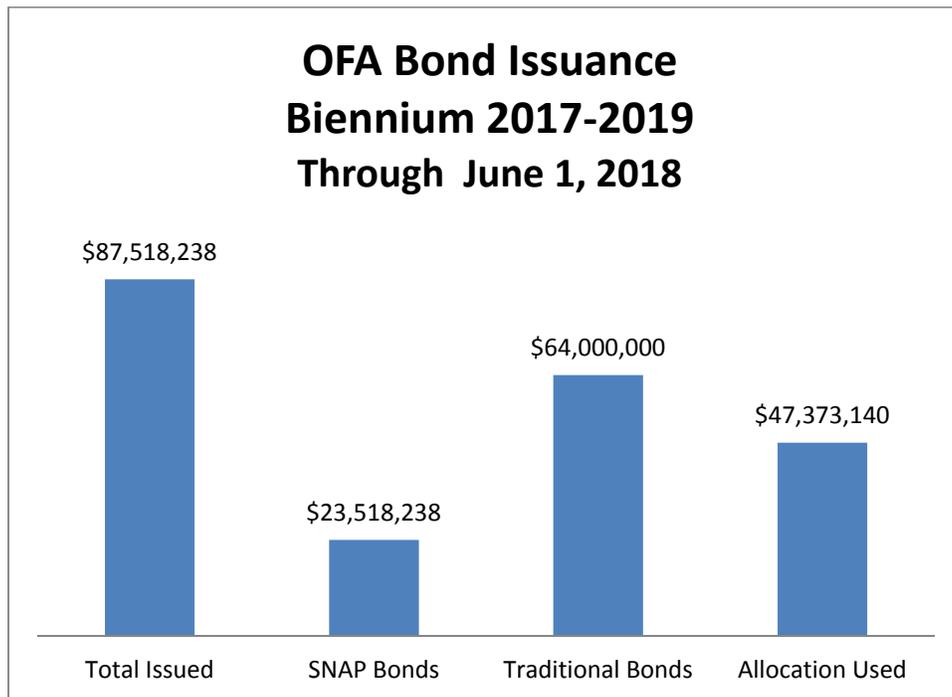
Total Authorized by Legislature	\$ 1,350,000,000
Total Utilized	<u>\$ 47,373,140</u>
<i>Unused Balance</i>	\$ 1,302,626,860

**BIENNIUM ALLOCATION—ANNUAL SESSIONS:** The Legislature allocated \$1,350,000,000 for OFA bonding this biennium.

**PRIVATE ACTIVITY BOND ALLOCATION:** No private activity bond allocation was made to OFA for this biennium. If OFA needs allocation, the Executive Director will apply to the PAB Committee (chaired by Laura Lockwood-McCall) and the committee may allocate PAB to OFA.

**CLOSED TRANSACTIONS**

<b>Nonprofit Organization</b>	<b>Issued Amount</b>	<b>Allocation Used</b>
Swallowtail School, Inc. (S)	\$ 2,457,738	\$ 2,457,738
Forest Grove Community School (S)	\$ 1,063,000	\$ 1,063,000
French American International School (S)	\$ 7,500,000	\$ 5,354,902
St. Vincent de Paul (S)	\$ 8,500,000	\$ 8,500,000
Rose CDC (S)	\$ 2,100,000	\$ 2,100,000
Reed College (T)	\$64,000,000	\$ 2,100,000
Cascade AIDS Project (S)	\$ 1,897,000	\$ 1,897,000
<b>Total:</b>	<b>\$87,518,238</b>	<b>\$ 47,373,140</b>



**OREGON FACILITIES AUTHORITY**  
Gwendolyn Griffith  
Executive Director

**MEMORANDUM**

To: Martha McLennan, Chair  
Eric Johansen, Vice-Chair  
Karen Weylandt, Authority Member  
Kevin McAuliffe, Authority Member  
Beth deHamel, Authority Member  
Sean Hubert, Authority Member  
Allyson Anderson, Authority Member

From: Gwendolyn Griffith

Date: June 6, 2018

Subject: Executive Director's General Report

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**Transactions**

**Closed Transactions:** None

**Pending Transactions:** Human Solutions (S)  
Warner Pacific University (S)  
Northwest Housing Alternatives (S)  
Arco-Iris Spanish Immersion School (T)

**New Applications:** Greenhill Animal Shelter

**Marketing**

I met with a banker from First Interstate Bank, which is quite interested in participating in the SNAP Loan Program. On June 20, I will be participating on a panel in a nonprofit educational program offered by Columbia Bank. US Bank has invited me to make a presentation to its bankers, date TBA.

## **Bond Transactions**

Bond volume is down nationwide, for reasons that we have discussed at the Board meetings. OFA is no exception, and additional headwinds for OFA include the reconstitution of a local authority. Except for one, all pending transactions, as well as ones that may be in preparation, are SNAP Loans. I have no indication that any large Traditional Program transactions are being prepared for submission.

## **Financial Report**

Attached to this report are financial statements for February, March and April, 2018. The OFA cash balance as of April 30, 2018 was \$919,649.18. As of the end of April, 2018, OFA's revenues were approximately \$137,500 under budget for the year, and its expenses (on a cash basis) were approximately \$187,000 under budget. Actual results as of that date were approximately \$20,000 favorable to budget.

Separately, I will propose a budget for 2018-2019.

## **Records Management**

Ms. Pham recently participated in an Agency Records Officer Bootcamp provided by the Archives division. The training focused on setting up efficient processes for properly retaining records as they are received by the agency, as well as an efficient and well document process for proper retention or destruction of records. Ms. Pham plans to attend additional webinar training for a deeper dive into Records Management.

### *Attachments:*

- OFA Income and Expense Report for February, March and April 2018.

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**OREGON FACILITIES AUTHORITY**  
**Income and Expense Report**  
**February 2018**

<i>Item</i>	<i>Detail</i>	<i>Annual Budget</i>	<i>Month Budget</i>	<i>Month Actual</i>	<i>Difference</i>	<i>Year to Date Budget</i>	<i>Year to Date Actual</i>	<i>Difference</i>
<b>Income</b>								
Interest Income		\$9,000.00	\$750.00	\$1,343.53	\$593.53	\$6,000.00	\$10,198.58	\$4,198.58
Application Fees		\$4,500.00	\$375.00	\$0.00	-\$375.00	\$3,000.00	\$2,000.00	-\$1,000.00
Closing: Reg. Bond		\$275,000.00	\$22,916.67	\$0.00	-\$22,916.67	\$183,333.33	\$62,825.00	-\$120,508.33
Closing: SNAP Bond		\$97,517.00	\$8,126.42	\$0.00	-\$8,126.42	\$65,011.33	\$75,047.27	\$10,035.94
Other								
<b>Total Income</b>		<b>\$386,017.00</b>	<b>\$32,168.08</b>	<b>\$1,343.53</b>	<b>-\$30,824.55</b>	<b>\$257,344.67</b>	<b>\$150,070.85</b>	<b>-\$107,273.82</b>
<b>Expenses</b>								
Executive Director		\$230,000.00	\$19,166.67	\$0.00	-\$19,166.67	\$153,333.33	\$203,790.04	\$50,456.71
Financial Advisor		\$100,000.00	\$8,333.33	\$0.00	-\$8,333.33	\$66,666.67	\$11,018.52	-\$55,648.15
Lead Bond Counsel		\$50,000.00	\$4,166.67	\$0.00	-\$4,166.67	\$33,333.33	\$0.00	-\$33,333.33
Department Justice		\$15,000.00	\$1,250.00	\$0.00	-\$1,250.00	\$10,000.00	\$18,790.10	\$8,790.10
Board Travel and Expenses		\$2,500.00	\$208.33	\$0.00	-\$208.33	\$1,666.67	\$505.11	-\$1,161.56
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$133.33	\$0.00	-\$133.33
Website		\$900.00	\$75.00	\$0.00	-\$75.00	\$600.00	\$1,615.00	\$1,015.00
Oregon State Treasurer		\$50,000.00	\$4,166.67	\$0.00	-\$4,166.67	\$33,333.33	\$0.00	-\$33,333.33
Dept. of Admin. Services		\$9,000.00	\$750.00	\$0.00	-\$750.00	\$6,000.00	\$15,236.27	\$9,236.27
Association Dues and Pub		\$3,500.00	\$291.67	\$0.00	-\$291.67	\$2,333.33	\$3,000.00	\$666.67
Postage		\$1,500.00	\$125.00	\$0.00	-\$125.00	\$1,000.00	\$314.72	-\$685.28
Printing/Copying		\$900.00	\$75.00	\$0.00	-\$75.00	\$600.00	\$1,176.86	\$576.86
Phone		\$500.00	\$41.67	\$0.00	-\$41.67	\$333.33	\$0.00	-\$333.33
Banking		\$250.00	\$20.83	\$10.00	\$10.83	\$166.67	\$129.70	-\$36.97
Outreach/Legislative		\$12,000.00	\$1,000.00	\$0.00	-\$1,000.00	\$8,000.00	\$0.00	-\$8,000.00
Post Issuance Compliance		\$1,250.00	\$104.17	\$0.00	-\$104.17	\$833.33	\$0.00	-\$833.33
Other	SOS Admin Rul Assessment	\$3,000.00	\$250.00	\$0.00	-\$250.00	\$2,000.00	\$792.23	-\$1,207.77
Financial Services Proj.		\$50,500.00	\$4,208.33	\$0.00	-\$4,208.33	\$33,666.67	\$0.00	-\$33,666.67
Low Income Senior Housing		\$45,000.00	\$3,750.00	\$0.00	-\$3,750.00	\$30,000.00	\$0.00	-\$30,000.00
<b>Total Expenses</b>		<b>\$576,000.00</b>	<b>\$48,000.00</b>	<b>\$10.00</b>	<b>-\$47,990.00</b>	<b>\$384,000.00</b>	<b>\$256,368.55</b>	<b>-\$127,631.45</b>
<b>Net Cash</b>		<b>-\$189,983.00</b>	<b>-\$15,831.92</b>	<b>\$1,333.53</b>	<b>\$17,165.45</b>	<b>-\$126,655.33</b>	<b>-\$106,297.70</b>	<b>\$20,357.63</b>

<b>Bank Balance</b>	
2/1/2018	\$953,524.49
2/28/2018	\$940,497.89

<b>Net from investments</b>	<b>\$1,343.53</b>
<b>Net from operations</b>	<b>(\$10.00)</b>

Prepared by: Gwendolyn Griffith  
OFA Executive Director 3/27/18

Information provided by DAS

End of 2016 -2017 Fiscal Year Cash Balance per Annual Report:

	February 2017	February 2018	YTD 2016 - 2017	YTD 2017 - 2018
Applications	0	0	6	3
Closings	0	0	11	7
Net Cash				

**Summary of Bond Activity**

Prepared by Gwendolyn Griffith, OFA Executive Director

**OREGON FACILITIES AUTHORITY**  
**Income and Expense Report**  
**March 2018**

<i>Item</i>	<i>Detail</i>	<i>Annual Budget</i>	<i>Month Budget</i>	<i>Month Actual</i>	<i>Difference</i>	<i>Year to Date Budget</i>	<i>Year to Date Actual</i>	<i>Difference</i>
<b>Income</b>								
Interest Income		\$9,000.00	\$750.00	\$1,536.49	\$786.49	\$6,750.00	\$11,735.07	\$4,985.07
Application Fees	Arco Iris Spanish Immersion and Northwest Housing Alternatives	\$4,500.00	\$375.00	\$1,000.00	\$625.00	\$3,375.00	\$3,000.00	-\$375.00
Closing: Reg. Bond		\$275,000.00	\$22,916.67	\$0.00	-\$22,916.67	\$206,250.00	\$62,825.00	-\$143,425.00
Closing: SNAP Bond		\$97,517.00	\$8,126.42	\$0.00	-\$8,126.42	\$73,137.75	\$75,047.27	\$1,909.52
Other								
<b>Total Income</b>		<b>\$386,017.00</b>	<b>\$32,168.08</b>	<b>\$2,536.49</b>	<b>-\$29,631.59</b>	<b>\$289,512.75</b>	<b>\$152,607.34</b>	<b>-\$136,905.41</b>
<b>Expenses</b>								
Executive Director	January and February 2018	\$230,000.00	\$19,166.67	\$19,752.00	\$585.33	\$172,500.00	\$223,542.04	\$51,042.04
Financial Advisor	Greenhill Humane Society and Northwest Housing Alternatives	\$100,000.00	\$8,333.33	\$2,400.00	-\$5,933.33	\$75,000.00	\$13,418.52	-\$61,581.48
Lead Bond Counsel		\$50,000.00	\$4,166.67	\$0.00	-\$4,166.67	\$37,500.00	\$0.00	-\$37,500.00
Department Justice		\$15,000.00	\$1,250.00	\$0.00	-\$1,250.00	\$11,250.00	\$18,790.10	\$7,540.10
Board Travel and Expenses		\$2,500.00	\$208.33	\$0.00	-\$208.33	\$1,875.00	\$505.11	-\$1,369.89
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$150.00	\$0.00	-\$150.00
Website		\$900.00	\$75.00	\$0.00	-\$75.00	\$675.00	\$1,615.00	\$940.00
Oregon State Treasurer		\$50,000.00	\$4,166.67	\$0.00	-\$4,166.67	\$37,500.00	\$0.00	-\$37,500.00
Dept. of Admin. Services		\$9,000.00	\$750.00	\$0.00	-\$750.00	\$6,750.00	\$15,236.27	\$8,486.27
Association Dues and Pub		\$3,500.00	\$291.67	\$0.00	-\$291.67	\$2,625.00	\$3,000.00	\$375.00
Postage		\$1,500.00	\$125.00	\$0.00	-\$125.00	\$1,125.00	\$314.72	-\$810.28
Printing/Copying		\$900.00	\$75.00	\$20.40	-\$54.60	\$675.00	\$1,197.26	\$522.26
Phone		\$500.00	\$41.67	\$0.00	-\$41.67	\$375.00	\$0.00	-\$375.00
Banking		\$250.00	\$20.83	\$11.00	-\$9.83	\$187.50	\$140.70	-\$46.80
Outreach/Legislative	Annual Report Graphic Design	\$12,000.00	\$1,000.00	\$1,678.75	\$678.75	\$9,000.00	\$1,678.75	-\$7,321.25
Post Issuance Compliance		\$1,250.00	\$104.17	\$0.00	-\$104.17	\$937.50	\$0.00	-\$937.50
Other	SOS Admin Rule Assessment, Name plate for Allyson Anderson, Meals, Travel Expenses	\$3,000.00	\$250.00	\$128.58	-\$121.42	\$2,250.00	\$920.81	-\$1,329.19
Financial Services Proj.		\$50,500.00	\$4,208.33	\$0.00	-\$4,208.33	\$37,875.00	\$0.00	-\$37,875.00
Low Income Senior Housing		\$45,000.00	\$3,750.00	\$0.00	-\$3,750.00	\$33,750.00	\$0.00	-\$33,750.00
<b>Total Expenses</b>		<b>\$576,000.00</b>	<b>\$48,000.00</b>	<b>\$23,990.73</b>	<b>-\$24,009.27</b>	<b>\$432,000.00</b>	<b>\$280,359.28</b>	<b>-\$151,640.72</b>
<b>Net Cash</b>		<b>-\$189,983.00</b>	<b>-\$15,831.92</b>	<b>-\$21,454.24</b>	<b>-\$5,622.32</b>	<b>-\$142,487.25</b>	<b>-\$127,751.94</b>	<b>\$14,735.31</b>

**Bank Balance**

3/1/2018	\$940,497.89
3/31/2018	\$928,031.03

<b>Net from investments</b>	<b>\$1,536.49</b>
<b>Net from operations</b>	<b>(\$22,990.73)</b>

Prepared by: Gwendolyn Griffith  
OFA Executive Director 4/25/18

Information provided by DAS

End of 2016 -2017 Fiscal Year Cash Balance per Annual Report:

	March 2017	March 2018	YTD 2016 - 2017	YTD 2017 - 2018
Applications	2	2	8	5
Closings	0	0	11	7
Net Cash				

**Summary of Bond Activity**

Prepared by Gwendolyn Griffith, OFA Executive Director

**OREGON FACILITIES AUTHORITY**  
**Income and Expense Report**  
**April 2018**

<i>Item</i>	<i>Detail</i>	<i>Annual Budget</i>	<i>Month Budget</i>	<i>Month Actual</i>	<i>Difference</i>	<i>Year to Date Budget</i>	<i>Year to Date Actual</i>	<i>Difference</i>
<b>Income</b>								
Interest Income		\$9,000.00	\$750.00	\$1,597.82	\$847.82	\$7,500.00	\$13,332.89	\$5,832.89
Application Fees		\$4,500.00	\$375.00	\$0.00	-\$375.00	\$3,750.00	\$3,000.00	-\$750.00
Closing: Reg. Bond		\$275,000.00	\$22,916.67	\$0.00	-\$22,916.67	\$229,166.67	\$62,825.00	-\$166,341.67
Closing: SNAP Bond		\$97,517.00	\$8,126.42	\$0.00	-\$8,126.42	\$81,264.17	\$75,047.27	-\$6,216.90
Other								
<b>Total Income</b>		<b>\$386,017.00</b>	<b>\$32,168.08</b>	<b>\$1,597.82</b>	<b>-\$30,570.26</b>	<b>\$321,680.83</b>	<b>\$154,205.16</b>	<b>-\$167,475.67</b>
<b>Expenses</b>								
Executive Director	Through 3/31	\$230,000.00	\$19,166.67	\$9,952.00	-\$9,214.67	\$191,666.67	\$233,494.04	\$41,827.37
Financial Advisor	Holly Theatre	\$100,000.00	\$8,333.33	\$1,200.00	-\$7,133.33	\$83,333.33	\$14,618.52	-\$68,714.81
Lead Bond Counsel		\$50,000.00	\$4,166.67	\$0.00	-\$4,166.67	\$41,666.67	\$0.00	-\$41,666.67
Department Justice		\$15,000.00	\$1,250.00	\$728.00	-\$522.00	\$12,500.00	\$19,518.10	\$7,018.10
Board Travel and Expenses		\$2,500.00	\$208.33	\$0.00	-\$208.33	\$2,083.33	\$505.11	-\$1,578.22
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$166.67	\$0.00	-\$166.67
Website		\$900.00	\$75.00	\$0.00	-\$75.00	\$750.00	\$1,615.00	\$865.00
Oregon State Treasurer		\$50,000.00	\$4,166.67	\$0.00	-\$4,166.67	\$41,666.67	\$0.00	-\$41,666.67
Dept. of Admin. Services		\$9,000.00	\$750.00	\$0.00	-\$750.00	\$7,500.00	\$15,236.27	\$7,736.27
Association Dues and Pub		\$3,500.00	\$291.67	\$0.00	-\$291.67	\$2,916.67	\$3,000.00	\$83.33
Postage		\$1,500.00	\$125.00	\$59.73	-\$65.27	\$1,250.00	\$374.45	-\$875.55
Printing/Copying		\$900.00	\$75.00	\$5.50	-\$69.50	\$750.00	\$1,202.76	\$452.76
Phone		\$500.00	\$41.67	\$0.00	-\$41.67	\$416.67	\$0.00	-\$416.67
Banking		\$250.00	\$20.83	\$10.00	-\$10.83	\$208.33	\$150.70	-\$57.63
Outreach/Legislative		\$12,000.00	\$1,000.00	\$0.00	-\$1,000.00	\$10,000.00	\$1,678.75	-\$8,321.25
Post Issuance Compliance		\$1,250.00	\$104.17	\$0.00	-\$104.17	\$1,041.67	\$0.00	-\$1,041.67
Other	Breakfast with Bond Counsel	\$3,000.00	\$250.00	\$177.25	-\$72.75	\$2,500.00	\$1,098.06	-\$1,401.94
Financial Services Proj.		\$50,500.00	\$4,208.33	\$0.00	-\$4,208.33	\$42,083.33	\$0.00	-\$42,083.33
Low Income Senior Housing		\$45,000.00	\$3,750.00	\$0.00	-\$3,750.00	\$37,500.00	\$0.00	-\$37,500.00
<b>Total Expenses</b>		<b>\$576,000.00</b>	<b>\$48,000.00</b>	<b>\$12,132.48</b>	<b>-\$35,867.52</b>	<b>\$480,000.00</b>	<b>\$292,491.76</b>	<b>-\$187,508.24</b>
<b>Net Cash</b>		<b>-\$189,983.00</b>	<b>-\$15,831.92</b>	<b>-\$10,534.66</b>	<b>\$5,297.26</b>	<b>-\$158,319.17</b>	<b>-\$138,286.60</b>	<b>\$20,032.57</b>

<b>Bank Balance</b>	
4/1/2018	\$928,031.03
4/30/2018	\$919,649.18

<b>Net from investments</b>	<b>\$1,597.82</b>
<b>Net from operations</b>	<b>(\$12,132.48)</b>

Prepared by: Gwendolyn Griffith  
OFA Executive Director 6/5/18

Information provided by DAS

End of 2016 -2017 Fiscal Year Cash Balance per Annual Report:

	April 2017	April 2018	YTD 2016 - 2017	YTD 2017 - 2018
Applications	0	0	8	5
Closings	2	0	13	7
Net Cash				

**Summary of Bond Activity**

Prepared by Gwendolyn Griffith, OFA Executive Director

**TAB 3**



Oregon State Treasury  
 Debt Management Division  
 350 Winter Street NE, Suite 100  
 Salem, OR 97301  
 (503) 378-4930  
 DMD@ost.state.or.us

# Oregon Bond Calendar

## For Sale Dates from 5/1/2018 to 9/30/2018

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
<b>May 2018</b>									
<b>POSTPONED</b>									
05/10	Oregon Department Of Administrative Services	Negotiated	General Obligation (N) Bonds	2018ABCD \$140,335,000	State Real Property - Article XI-Q and Seismic Rehabilitation - Articles XI-M/N	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Morgan Stanley 2. Hawkins, Delafield & Wood 3. Public Financial Management
05/16	City Of Cascade Locks	Negotiated	Full Faith & Credit Obligations(S)	2018 \$555,000	Refunding of sewer loan	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. D.A. Davidson & Co. 2. Mersereau & Shannon LLP 3. None
05/16	City Of Manzanita	Negotiated	Full Faith & Credit Obligations(S)	2018 \$2,960,000	Refunding water loan	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. D.A. Davidson & Co. 2. Mersereau & Shannon LLP 3. None
05/16	City Of Shady Cove	Negotiated	Full Faith & Credit Obligations(S)	2018 \$1,925,000	Refunding sewer loan	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. D.A. Davidson & Co. 2. Mersereau & Shannon LLP 3. None
05/16	City Of Yamhill	Negotiated	Full Faith & Credit Obligations(S)	2018 \$745,000	Refunding sewer loan	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. D.A. Davidson & Co. 2. Mersereau & Shannon LLP 3. None
05/18	City Of Prineville	Privately Placed	Full Faith & Credit Obligations(N)	2018 \$2,549,000	Refunding of Full Faith and Credit Pension Bond	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input checked="" type="checkbox"/> ZERO <input type="checkbox"/>			1. Zions First National Bank 2. Hawkins, Delafield & Wood 3. None
05/23	SW Polk Fire District	Negotiated	General Obligation (N) Bonds	2018 \$5,225,000	Firefighting facilities, equipment, vehicles	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. D.A. Davidson & Co. 2. Hawkins, Delafield & Wood 3. SDAO Advisory Services LLC

**SOLD**



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# Oregon Bond Calendar

## For Sale Dates from 5/1/2018 to 9/30/2018

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
<b>May 2018</b>									
<b>SOLD</b>									
05/01	Metro	Competitive	General Obligation (N) Bonds	2018 \$38,105,000	Zoo and Natural Areas Capital Costs	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2028	4.12 TIC 2.25297%	1. Citigroup Global Markets 2. Hawkins, Delafield & Wood 3. Piper Jaffray, Inc.
05/08	City Of Oregon City	Negotiated	Full Faith & Credit Obligations(N)	2018 \$14,615,000	new police and municipal court facility	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2038	11.88 TIC 3.24664%	1. Piper Jaffray - Seattle NW Division 2. Hawkins, Delafield & Wood 3. None
05/08	Oregon Housing & Community Services Department	Negotiated	Revenue Bonds	2018A \$62,590,000	New Money	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	01/01/2049	16.93 Fixed 3.621%	1. Bank of America Merrill Lynch 2. Hawkins, Delafield & Wood 3. Caine Mitter & Assoc.
05/08	Springfield Economic Development Agency	Privately Placed	Revenue Bonds	2018 \$2,729,248	Purchase of land for Glenwood urban renewal area	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input checked="" type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2025	3.73 TIC 4.28%	1. First Interstate Bank of Oregon, NA 2. Hawkins, Delafield & Wood 3. Public Financial Management
05/10	Metro	Competitive	Full Faith & Credit Obligations(N)	2018 \$13,290,000	Capital costs for Metro (MRC & Cemetery Projects)	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2033	10.90 TIC 2.80528%	1. Morgan Stanley 2. Hawkins, Delafield & Wood 3. Piper Jaffray, Inc.
05/30	Harney Cty Health District	Privately Placed	Full Faith & Credit Obligations(N)	2018 \$1,280,000	Tax-Exempt Financing Agreement and Note	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	12/15/2026	5.15 Fixed 3.71%	1. Summit Bank 2. Mersereau & Shannon LLP 3. SDAO Advisory Services LLC



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# Oregon Bond Calendar

## For Sale Dates from 5/1/2018 to 9/30/2018

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
<b>June 2018</b>									
<b>PROPOSED</b>									
06/06	Chehalem Park & Recreation District	Negotiated	Full Faith & Credit Obligations(N)	2018 \$7,640,000	Provide new money financing and refunding FFC debt	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. D.A. Davidson & Co. 2. Hawkins, Delafield & Wood 3. SDAO Advisory Services LLC
06/06	Coos Cty SD 8 (Coquille)	Negotiated	Full Faith & Credit Obligations(N)	2018 \$4,410,000	The Obligations are being issued to finance capital costs for the District.	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Jaffray, Inc. 2. Mersereau & Shannon LLP 3. McLiney and Company
06/06	Tri-Met	Negotiated	Revenue Bonds	2018 \$150,000,000	Transit-related capital projects and costs of issuance	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. JP Morgan Securities 2. Hawkins, Delafield & Wood 3. Ross Financial
06/12	City Of Beaverton	Competitive	Revenue Bonds	2018 \$19,050,000	to finance all or a portion of the costs associated with additions, replacements, expansions or improvements to the City's water system infrastructure	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. To Be Determined 2. Orrick, Herrington & Sutcliffe 3. Public Financial Management
<b>SOLD</b>									
06/04	Oregon Housing & Community Services Department	Negotiated	Revenue Bonds	2018B \$30,000,000	New Money	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	07/01/2043	21.07	1. Bank of America Merrill Lynch 2. Hawkins, Delafield & Wood 3. Caine Mitter & Assoc.

[Bond Index](#)

[Election Schedule](#)

The State of Oregon Office of the Treasurer maintains debt information to assist in debt related matters. The data is based on information obtained from sources believed to be reliable; however, its accuracy cannot be guaranteed. The Office of the State Treasurer does not independently verify the information received. The State of Oregon is not responsible for the accuracy, completeness or timeliness of the information obtained and the data presented and disclaims any liability for or obligation to bond owners or others concerning the accuracy, completeness or timeliness of the data and information presented.

If you have questions about the Oregon Bond Calendar, please contact the Debt Management Division at 503-378-4930 or dmd@ost.state.or.us. If you would like this material provided in an alternative format, please contact the Treasurer's Office Americans with Disabilities Act Coordinator at 503-378-4552.

Negotiated sales may occur any day of the week when the sale date is indicated as a Monday.



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 Debt Management Division  
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 DMD@ost.state.or.us

# Oregon Bond Calendar

For Sale Dates from 5/1/2018 to 9/30/2018

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
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Issues are Listed as 'Proposed' until sale results are reported.

AID = Any Interest Date

Neg = Negotiated Sale

Com = Competitive Sale

Pri = Private Placement Sale

AMT = Subject to Alternative Minimum Tax

BQ = Bank Qualified

TAX = Federally Taxable

ZERO = Zero Coupon or Deferred Interest Bonds

Full Faith & Credit Obligation(N) = Non Self-Supporting - bonds repaid by non-project revenues - not property-tax backed

Full Faith & Credit Obligation(S) = Self-Supporting - bonds repaid by project revenues - not property-tax backed

General Obligation(N) = Non Self-Supporting - bonds repaid & secured by ad valorem property taxes levied outside the limits of Article XI 11b

General Obligation(S) = Self-Supporting - bonds 100% repaid by project revenues, and secured by ad valorem property-taxes.

The purpose categories are defined as follows:

1. Development: industrial development, economic development, non-government office buildings, urban renewal.
2. Education: primary and secondary education, higher education, student loans.
3. Electric power: public power utilities.
4. Environmental Facilities: solid waste disposal, resource recovery, pollution control, recycling.
5. Health Care: hospitals, nursing homes, life-care communities.
6. Housing: single-family and multi-family housing.
7. Public Facilities: government buildings, fire and police stations, jails and prisons, civic and convention centers, museums, libraries, stadiums and sports complexes, theaters, parks, zoos, beaches, other recreation.
8. Transportation: airports, seaports and marine terminals, toll roads, highways and streets, bridges, tunnels, parking facilities, mass transit.
9. Utilities: water and sewer, gas, flood control, sanitation, combined utilities, miscellaneous utilities.
10. General Purpose: general purpose, veterans (other than housing), agriculture, unknown.

**TAB 4**

**GWENDOLYN GRIFFITH**  
EXECUTIVE DIRECTOR

**JESSICA MORGAN**  
ASSOCIATE EXECUTIVE DIRECTOR

**NIKKI PHAM**  
EXECUTIVE ASSISTANT



**OREGON FACILITIES AUTHORITY**  
1600 PIONEER TOWER  
888 SW FIFTH AVENUE  
PORTLAND, OREGON 97204  
PHONE: (503) 802-5710  
EMAIL: OFA@TONKON.COM

MEMORANDUM

To: Martha McLennan, Chair  
Eric Johansen, Vice-Chair  
Karen Weylandt, Authority Member  
Kevin McAuliffe, Authority Member  
Beth deHamel, Authority Member  
Sean Hubert, Authority Member  
Allyson Anderson, Authority Member

From: Gwendolyn Griffith

Date: June 6, 2018

Subject: Application by Greenhill Humane Society and Society for the Prevention of Cruelty to Animals

---

Greenhill Humane Society and Society for the Prevention of Cruelty to Animals (the "Applicant"), located in the Eugene-Springfield area, timely made an application to the Authority for SNAP Loan financing in an approximate amount of \$2,150,000. The Applicant appears to be the type of organization that qualifies for financing through OFA, and the Project also appears to be of the type that qualifies under OFA's statute and administrative rules. These assumptions would be confirmed in the diligence process, if preliminary approval is granted.

This is the Applicant's first OFA financing. The Sponsoring Bank is Columbia Bank.

The Applicant's mission is to provide safe shelter for animals in transition, serve as an advocate for animals and their people, work to end animal overpopulation and educate the public about compassion and responsibility towards all animals.

This Project is an expansion and remodel of the Applicant's current animal shelter facilities. The expansion will update its 60+ year-old facility, and involve construction of two new 5,760 square-foot dog housing buildings, expanded parking, improved utilities, and a remodel of the cat housing areas. The project also includes the construction of a 3,365 square-foot addition that will eventually be used as a veterinary medical clinic.

The Bank's term sheet, provided in January, 2018, included in the application, provides details on the proposed financing terms. There will be an interest-only period for construction,

Memorandum  
June 6, 2018  
Page 2

followed by amortization of principal over 25 years. The interest rate will be fixed for ten years, and will be reset at the 10th and 20th anniversaries of the financing. The interest rate will be a function of the tax rate. Mr. Brown of PFM will provide more details at the meeting.

In 2017, I had had several conversations with the Applicant and with Columbia Bank about this transaction. On February 8, we held a scoping call with the financing team. No unusual issues were identified.

The Applicant and Bank hope to close the financing prior to the end of August, 2018.

The Financial Advisor's Report is included in the materials. Mr. Brown has conducted PFM's usual conference with the Applicant.

SNAP Loan Counsel's Report is included in the materials. Ms. McCoog recommends the transaction for preliminary approval.

***Recommendation:* I recommend that the Authority adopt Resolution 2018-6, granting to Greenhill Humane Society and Society for the Prevention of Cruelty to Animals preliminary approval for an OFA SNAP Loan in the approximate amount of \$2,150,000.**

If you have any questions, please let me know.

GG/np



May 25, 2018

### **SNAP Report**

Greenhill Humane Society and Society for the Prevention of Cruelty to Animals

This report has been prepared for the Oregon Facilities Authority's preliminary consideration of the application submitted by Greenhill Humane Society ("GHS") for a SNAP loan of up to \$2,150,000.

### **Preliminary Conversation and Application**

I spoke with Cary Lieberman, Executive Director of GHS. GHS is embarking on a project to expand and remodel its main campus, which will allow it to consolidate operations within a single campus. The SNAP loan, along with GHS equity, will be used to fund construction of two new dog housing buildings, expanded parking, improved utilities, a remodeled cat housing area, and a building "shell" that can be converted into a veterinary facility at a later date. GHS discussed the financing with several potential lenders before deciding to proceed with Columbia Bank. The loan will initially be an interest-only construction loan and convert to a fixed-rate, 25-year loan with repricings at years 10 and 20. The fixed-rate pricing and repricing will be determined through a formula based on published Federal Home Loan Bank indices, a fixed spread, and the bank's applicable tax factor at the time of closing and at subsequent repricings. The applicant understood the proposed terms of the loan and feels that they are reasonable. The application is consistent with our discussion.

If you have any question regarding our review, I will be at the June meeting.

For PFM Financial Advisors LLC

A. Duncan Brown

**MEMORANDUM**

TO: Members of the Oregon Facilities Authority  
Gwendolyn Griffith, Executive Director

FROM: Carol J. McCoog  
Jennifer B. Córdova  
Gulgun U. Mersereau

DATE: June 1, 2018

RE: Preliminary Approval for Greenhill Humane Society SNAP Loan

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Greenhill Humane Society and Society for the Prevention of Cruelty to Animals (the “Borrower”), an Oregon nonprofit corporation and a 501(c)(3) organization, is seeking preliminary approval for the issuance of an Oregon Facilities Authority SNAP Loan in an approximate principal amount of \$2,150,000.

**Background**

The Borrower will use the SNAP Loan proceeds to (i) expand and remodel current animal shelter facilities, and (ii) construct an addition that will be used as a veterinary medical clinic.

The Borrower will obtain financing through Columbia Bank (the “Bank”) with a 2 phase loan that will include (i) a 12-month, draw-down phase during construction, and (ii) a permanent loan with a final maturity and amortization dependent upon an option selected by the Borrower.

**Initial Scoping Call and Review of Application**

We have conducted an initial scoping call with the Borrower and reviewed its application. Based on the information provided, as of the time we are submitting this memorandum, we have identified the following issues that may affect either the size of the SNAP Loan or our ability to proceed with the SNAP Loan. Other issues may arise as we conduct further due diligence during the issuance process.

- We will conduct due diligence on the Borrower’s 501(c)(3) status in order to determine that its 501(c)(3) status is current and that, from our perspective, there is nothing that materially, adversely affects its status. If we are not ultimately satisfied that the Borrower’s status is current and that there is nothing that would materially, adversely affect this status, we will not proceed with the issuance of the SNAP Loan.

- We will conduct due diligence on the uses of the facilities and property being financed to determine whether there will be private business use or unrelated trade or business use that may exceed the IRS limitations.

#### Recommendation

Based on participation in the scoping call and our review of the application, we recommend the Borrower for preliminary approval of a SNAP loan.

#### Next Steps

Assuming the Board grants preliminary approval for the Greenhill Humane Society SNAP Loan, we will conduct our standard 501(c)(3) tax due diligence, and we anticipate that the Bank will schedule a kick-off call to review outstanding issues and establish a schedule for the financing.

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# State of Oregon Oregon Facilities Authority

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**Resolution No. 2018-6  
Adopted: June 11, 2018**

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**A resolution of the Oregon Facilities Authority recommending that the State Treasurer issue a small nonprofit accelerated program (SNAP) loan for the purposes described herein, authorizing the execution and delivery of a preliminary agreement by and between the Authority and the Participating Institution proposing the project described below, and authorizing and determining other matters with respect thereto.**

---

**WHEREAS**, the Oregon Facilities Authority, a body politic and corporation duly created and existing under the laws of the State of Oregon (the “**Authority**”) is authorized and empowered by the provisions of ORS Chapter 289, as amended (the “**Act**”), to recommend to the State Treasurer the issuance of revenue bonds, as defined in ORS 289.005(1)(b), for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the lending of the proceeds of such revenue bonds to participating institutions in connection therewith; and

**WHEREAS**, Greenhill Humane Society and Society for the Prevention of Cruelty to Animals, an Oregon nonprofit corporation and 501(c)(3) organization (the “**Participating Institution**”), has filed with the Authority a substantially complete application proceeds to (i) expand and remodel current animal shelter facilities, and (ii) construct an addition that will be used as a veterinary medical clinic. (all of the foregoing being herein collectively called the “**Project**”); which application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel for the Authority’s small nonprofit accelerated program (“**SNAP**”) loan and the Authority’s financial advisor; and

**WHEREAS**, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue a SNAP loan under the Act (the “**Loan**”) in an approximate principal amount of \$2,150,000, and to lend the proceeds of the Loan to the Participating Institution for the purposes described above and paying the related costs associated therewith and with the issuance of the Loan;

**NOW, THEREFORE**, be it resolved by the members of the Authority as follows:

**Section 1. Eligibility.** The Authority, based upon the advice of Hawkins Delafield & Wood LLP, bond counsel for the Authority’s SNAP loans (“**Bond Counsel**”), hereby finds and determines that the Project qualifies as a “project” within the meaning of the Act. The Authority

further finds and determines that the financing and refinancing of the Project will promote the public purposes sought to be advanced by the Act.

**Section 2. Recommendation to Issue SNAP Loan.** The Authority hereby recommends that the State Treasurer declare his intent to issue the Loan in the approximate principal amount of \$2,150,000, and to lend the proceeds of the Loan to the Participating Institution for the purposes described above; *provided, however*, that

(i) prior to the issuance of the Loan, the Authority and the State Treasurer shall have been advised by Bond Counsel that all legal requirements for the issuance of the Loan have been fully met and complied with;

(ii) in the event that the Loan is issued for the purpose of financing and refinancing the Project, the Loan shall be payable solely and only from the specific properties and revenues pledged thereto and shall not constitute a debt of the State of Oregon or a lending of the credit of the State of Oregon within the meaning of any constitutional or statutory limitation or a charge upon any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto, and no holder of the Loan shall have the right to enforce the payment of any amounts owing under or with respect to the Loan out of any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto; and

(iii) the Authority shall retain at all times complete and absolute discretion as to whether or not to proceed with the issuance of the Loan for the purpose of financing or refinancing the Project, and may refuse to proceed therewith for any reason deemed sufficient by the Authority notwithstanding that all legal requirements for the issuance of the Loan may have been met and fully complied with.

**Section 3. Preliminary Agreement.** The form of Preliminary Agreement attached hereto as **Exhibit A** is hereby approved. The Executive Director of the Authority is hereby authorized, empowered and directed, for and on behalf of the Authority, to execute and deliver such Preliminary Agreement in substantially the form approved but with such variations, changes, omissions and insertions as may be necessary or appropriate and not inconsistent with the provisions of applicable law.

**Section 4. Appointment of Attorney-in-Fact.** Bond Counsel is hereby appointed the Authority's attorney-in-fact for the purpose of applying for any rulings from the Internal Revenue Service that may be required in connection with the Loan and for filing, signing and taking any other actions on behalf of the Authority in connection with any such ruling request.

**Section 5. Post-Issuance Compliance.** The Authority hereby resolves that the Participating Institution is not subject to the requirements of Section III of the Post-Issuance Disclosure Compliance Requirements of the State of Oregon Oregon Facilities Authority Post-Issuance Tax and Disclosure Compliance Policies and Procedures adopted by the Authority on December 5, 2012.

**Section 6. Effectiveness; Conflicting Resolutions.** This resolution shall be effective immediately upon its adoption. All resolutions of the Authority and parts thereof which are in conflict with the terms of this resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

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## Certification of Resolution

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The undersigned does hereby certify that I am the duly appointed, qualified and acting Executive Director of the Oregon Facilities Authority; that the foregoing is a true and complete copy of Resolution No. 2018-6 as adopted by said Authority at a meeting duly called and held in accordance with law on June 11, 2018; and that the following members of the Authority voted in favor of said Resolution:

\_\_\_\_\_  
\_\_\_\_\_

the following members of the Authority voted against said Resolution:

\_\_\_\_\_  
\_\_\_\_\_

and the following members of the Authority abstained from voting on said Resolution:

\_\_\_\_\_  
\_\_\_\_\_

In witness whereof, the undersigned has hereunto set her hand as of this 11th day of June, 2018.

\_\_\_\_\_  
Gwendolyn Griffith, Executive Director

# **Preliminary Agreement**

## **Oregon Facilities Authority SNAP Loan**

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Between

**GREENHILL HUMANE SOCIETY, SPCA**

and

**Oregon Facilities Authority**

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**This Preliminary Agreement** is entered into as of the 11<sup>th</sup> day of June, 2018 by and between the **Oregon Facilities Authority**, a public body corporate and politic duly created and existing under the laws of the State of Oregon (the “**Authority**”), and Greenhill Humane Society and Society for the Prevention of Cruelty to Animals, an Oregon nonprofit public corporation and 501(c)(3) organization (the “**Participating Institution**”).

**Premises:**

**WHEREAS**, the Authority is authorized and empowered by the provisions of ORS Chapter 289, as amended (the “**Act**”), to recommend to the State Treasurer the issuance of revenue bonds, as defined in ORS 289.005(1)(b) for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the lending of the proceeds of such revenue bonds to participating institutions in connection therewith; and

**WHEREAS**, the Participating Institution has filed with the Authority a substantially complete application to (i) expand and remodel current animal shelter facilities, and (ii) construct an addition that will be used as a veterinary medical clinic. (all of the foregoing being herein collectively called the “**Project**”) through the Authority’s Small Nonprofit Accelerated Program (“**SNAP**”); and

**WHEREAS**, in its application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue a SNAP loan under the Act (the

“**Loan**”) in an approximate principal amount of \$2,150,000 (the “**Principal Amount**”), and lend the proceeds of the Loan to the Participating Institution for the purposes described above and paying the related costs associated therewith and with the issuance of the Loan;

**WHEREAS**, the Authority has adopted a resolution pursuant to which it has recommended that the State Treasurer issue the Loan under the Act for the purposes described above; and

**WHEREAS**, the State Treasurer has indicated in writing his intent to issue the Loan under the Act for the purposes described above;

**NOW, THEREFORE**, for and in consideration of the premises and the mutual undertakings of the parties as set forth herein, the Authority and the Participating Institution hereby agree as follows:

**Section 1. Undertakings on the Part of the Authority.** Subject to the terms and conditions stated herein, the Authority agrees and represents as follows:

(a) **Issuance of Loan.** The Authority will, subject to the terms hereof and upon satisfaction by the Participating Institution of all conditions stated herein and all other conditions imposed on the Participating Institution by the Authority prior to issuance of the Loan and upon compliance with all requirements of applicable law, take such further actions as may be necessary or appropriate to recommend that the State Treasurer issue the Loan under the Act in the Principal Amount, and lend the proceeds of the Loan to the Participating Institution for the purposes described above, which Loan shall be payable solely and only out of the loan payments paid by the Participating Institution pursuant to a SNAP loan financing agreement to be entered into by the Participating Institution.

(b) **Other Actions.** Subject to the terms hereof and upon satisfaction by the Participating Institution of all conditions stated herein and all other conditions imposed on the Participating Institution by the Authority or the State Treasurer prior to issuance of the Loan and upon compliance with all requirements of applicable law, the Authority will take such action within its lawful powers as may be necessary and advisable to recommend that the State Treasurer authorize, issue the Loan and lend the Loan proceeds to the Participating Institution for the purposes described above, all as authorized by law and as mutually satisfactory to the State Treasurer, the Participating Institution and the Authority.

The foregoing undertakings of the Authority are hereby qualified by and subject in all respects to the following conditions and understandings:

(i) **Compliance with Applicable Law.** Prior to the issuance of the Loan, the Authority and the State Treasurer shall have been advised by Hawkins Delafield & Wood LLP (“**Bond Counsel**”) that all legal requirements for the issuance the Loan have been fully met and complied with.

(ii) **Loan to be Limited Obligation.** In the event that the Loan is issued for the purpose of financing and refinancing the Project, the Loan shall be payable solely and only from the specific properties and revenues pledged thereto and shall not constitute a debt of the State of Oregon or a lending of the credit of the State of Oregon within the meaning of any constitutional or statutory limitation or a charge upon any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto, and no holder of the Loan shall have the right to enforce the payment of any amounts owing under or with respect to the Loan out of any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto. The Participating Institution understands that the SNAP loan financing agreement to be entered into in connection with the Loan will provide that amounts payable thereunder will be sufficient to pay the principal of and the interest on, and redemption premium, if any, of the Loan as and when the same become due and payable.

(iii) **Discretion to Determine Whether to Proceed.** The Authority and the State Treasurer shall each retain at all times complete and absolute discretion as to whether or not to proceed with the issuance of the Loan for the purposes described above, and each may refuse to proceed therewith for any reason deemed by either to be sufficient notwithstanding that all legal requirements for the issuance of the Loan may have been met and fully complied with.

**Section 2. Undertakings on the Part of the Participating Institution.** The Participating Institution agrees as follows:

(a) **Completion of Project.** If the Loan is issued as requested by the Participating Institution, it is the intent of the Participating Institution to diligently cause the Project to be completed at the earliest practicable time and to cause the Project to be operated in the manner and for the purposes previously disclosed to the Authority in the Participating Institution’s application. If the Loan proceeds are not sufficient to complete the financing of the Project, the Participating Institution agrees to cause the Project to be completed at the Participating Institution’s expense. The Authority makes no representation or warranty that the proceeds of the Loan will be sufficient to accomplish the Project as planned by the Participating Institution, and the Participating Institution hereby acknowledges and agrees that it assumes all risks associated with such potential insufficiency.

(b) **Cooperation with the Authority and Treasurer.** The Participating Institution will cooperate with the State Treasurer, the Authority, Bond Counsel and the Authority's financial advisor in all matters relating to the issuance of the Loan.

(c) **Arrangements for the Lender.** The Participating Institution acknowledges and agrees that it shall have sole responsibility for arranging a lender of the Loan, and acknowledges that under the Act the State Treasurer has the ultimate authority to approve lender under the SNAP loan program. At the request of the Participating Institution, the State Treasurer has approved Columbia Bank, as the lender (the "**Lender**").

(d) **Execution and Delivery of SNAP Loan Financing Agreement.** At the time of issuance of the Loan, the Participating Institution will deliver an executed SNAP loan financing agreement with the State Treasurer (acting as issuer of the Loan on behalf of the State of Oregon and the Authority), under which terms the Participating Institution will agree to pay the loan payments sufficient in the aggregate to pay the principal of and interest on, and redemption premium, if any, of the Loan as and when the same shall become due and payable. The SNAP loan financing agreement shall contain a provision that the Participating Institution shall indemnify and hold the Authority and the State of Oregon harmless from all liabilities incurred in connection with the requested financing and the placement of the Loan.

(e) **Further Actions.** The Participating Institution will take such further action and adopt such further proceedings as may be required to implement the terms and provisions of this Preliminary Agreement. The Participating Institution shall obtain all necessary governmental approvals and opinions of Bond Counsel in order to insure the legality and the exclusion of interest on the Loan from gross income for federal income tax purposes. In addition, the Participating Institution shall make no use of the Loan proceeds so as to cause the Loan to be classified as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(f) **Reimbursement for Expenses.** Regardless of whether or not the Loan is actually issued, the Participating Institution will reimburse the Authority and the State Treasurer for all reasonable and necessary direct and indirect expenses incurred in connection with the consideration and processing of the application for Loan financing and the preparation of the Loan for issuance, which expenses shall be itemized on an invoice sent by the Authority to the Participating Institution and paid within 30 days of the date of such invoice. If the Loan is issued, the Participating Institution will pay to the Authority its usual and customary annual administrative fee according to Authority policy (as the same may be modified from time to time) and its issuance fee.

(g) **Fees and Expenses of State, Bond Counsel and Financial Advisor.** The Participating Institution hereby agrees to pay the fees and expenses of the Authority, the

State Treasurer, Bond Counsel, and Western Financial Group, LLC, financial advisor to the Authority, as those fees are in effect on the date of closing. The fees currently in effect are shown in the attached Appendix A. The Participating Institution shall pay these fees and expenses at the time of the issuance the Loan; *provided, however*, that with respect to any hourly fees and any expenses which it is not practicable to itemize at the time of issuance the Loan, such hourly fees and expenses shall be paid within 30 days from the date of any invoice therefor; *and provided further*, that if the Participating Institution abandons or otherwise fails to complete the financing contemplated hereby within six months from the date of adoption of the Authority resolution referred to in the preamble hereto, the Participating Institution shall pay all fees and expenses incurred by Bond Counsel and the Authority's financial advisor in connection with such financing, which fees and expenses shall be itemized on an invoice sent to the Participating Institution and paid within 30 days of the date of such invoice.

(h) **Indemnity and Hold Harmless Agreement**. The Participating Institution hereby agrees to indemnify and hold the State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees (the "**Indemnified Parties**") harmless against and from any and all claims, of whatever nature and howsoever arising, by or on behalf of any person, firm, corporation or other legal entity arising from the execution of this Preliminary Agreement or any other actions taken or omitted to be taken by any of the Indemnified Parties or the Participating Institution relating in any way to the Project or the placement or issuance of the Loan or any transaction related to the foregoing, including without limitation any claim or liability arising from or in connection with:

(i) financing and refinancing of the Project and any condition of the Project or the construction thereof;

(ii) any breach or default on the part of the Participating Institution in the performance of any of its obligations under this Preliminary Agreement or any other agreement entered into in connection with the Loan and the financing and refinancing of the Project;

(iii) any act or negligence of the Participating Institution or of any of its respective agents, contractors, servants, employees or licensees;

(iv) any act or negligence of any assignee or lessee of the Participating Institution, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Participating Institution;

(v) any material misstatement or omission, or alleged material misstatement or omission, made or omitted in any information used in connection with the placement or issuance of the Loan.

The Participating Institution shall indemnify and save the Indemnified Parties harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from the Indemnified Party, the Participating Institution shall, subject to ORS Chapter 180 (or any successor provision of law), defend it in any such action or proceeding at the Participating Institution's expense, and shall pay all attorney's fees and expenses of the Indemnified Parties incurred in connection therewith at trial, on appeal or otherwise related to the claim for which indemnification is provided hereunder. The foregoing indemnification and hold harmless agreement shall be and remain in full force and effect notwithstanding the failure or refusal, for any reason, of the Authority or the State Treasurer to proceed with the issuance of the Loan. Notwithstanding anything to the contrary contained herein, the Participating Institution shall have no liability to indemnify the Indemnified Parties against claims or damages resulting from the Indemnified Parties' own willful misconduct.

(i) **Policy Concerning Sale of Project.** It is the policy of the Authority that the proceeds of any sale of Loan -financed or refinanced assets shall be applied to prepay the outstanding Loan in such amounts and at such times as may be permitted by the Loan documents executed in connection with the issuance of the Loan, and as the Authority determines may be reasonable under the circumstances. Furthermore, in the event of the sale of Loan -financed or refinanced assets that serve as collateral for the Loan, adequate and acceptable substitute collateral shall be identified and provided prior to or simultaneous with such sale. The Authority may consider release of its security interests in lieu of such substitution of collateral, but only after all other security holders and the Lender agree to the release of their security interests in the assets to be sold. The Participating Institution hereby acknowledges the foregoing and agrees thereto.

**Section 3. Miscellaneous.** The State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees, and bond counsel to the Authority and Western Financial Group, LLC, and each of them individually, shall be third party beneficiaries of this agreement with the right to enforce the provisions of this agreement directly and individually and without joining any other beneficiary hereof.

This agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, a "**Claim**") between the Authority or any other agency or department of the State of Oregon and the Participating Institution that arises from or relates to this agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon (unless Oregon law requires that the Claim be brought in another county; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon). In no event shall this Section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity,

immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. PARTICIPATING INSTITUTION, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

This agreement shall be binding upon the parties hereto and their respective successors and assigns.

This agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the Authority and the Participating Institution have caused this Preliminary Agreement to be executed and delivered by their duly authorized officers or representatives as of the date first set forth above.

## **Oregon Facilities Authority**

By: \_\_\_\_\_

Gwendolyn Griffith  
Its Executive Director

## **Greenhill Humane Society and Society for the Prevention of Cruelty to Animals as Participating Institution**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Appendix A

### Oregon Facilities Authority SNAP Loan Program Fee Schedule

As of July 2017

#### OFA Fees:

Initial Application: \$500

Processing Fee: 0.5% of the amount of the loan, up to \$600,000, plus  
0.3% of the amount of the loan in excess of \$600,000

Note: For SNAP Loans closing after July 1, 2017 and before June 30, 2018, the processing fee shall not exceed:

- For loans \$1,000,000 or less, 65% of the amount calculated above;
- For loans greater than \$1,000,000 but not more than \$2,000,000, 70% of the amount calculated above; and
- For loans greater than \$2,000,000 but not more than \$3,000,000, 75% of the amount calculated above.
- For loans greater than \$3,000,000 but not more than \$5,000,000, 80% of the amount calculated above.

#### Office of the State Treasurer Fees:

Closing Fee (based on principal amount):

- \$5 million or less: \$6,000.
- More than \$5 million and less than \$10 million: \$12,000
- \$10 million or more: \$18,000.

#### OFA Bond Counsel:

<u>Principal Amount of Loan</u>	<u>Compensation Not to Exceed</u>
Up to \$500,000	\$11,500
\$500,001 - \$1,500,000	\$11,500 + .30% for the amount over \$500,000
\$1,500,001 to \$5,000,000	\$15,000+ .40% for the amount over \$1,500,000
Over \$5,000,000	\$30,750 + .20% for the amount over \$5,000,000

**Financial Advisor Fee:** \$800

**Other Borrower Fees:** The Borrower may incur bank fees and fees for its own counsel, which must issue a tax opinion on the §501(c)(3) status of the Borrower and related matters.

*Additional fees may apply for certain transactions.  
Please consult the Executive Director.*