

Oregon Facilities Authority

Minutes of Meeting of

August 13, 2018

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on August 13, 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, J. Kevin McAuliffe and Roy Kim.

Participating in the meeting to assist the Authority were: Gwendolyn Griffith, Executive Director of the Authority; Duncan Brown of PFM, Financial Advisor; Carol McCoog and Jennifer Cordova of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Michael Schrader of Orrick, Herrington and Sutcliffe LLP, 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 Martha McLennan called the meeting to order and presented the notice of meeting.

Approval of Minutes

The Minutes of the meetings of June 11, July 19 and July 26, 2018, were unanimously approved.

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. She reported that the Arco Iris School transaction successfully closed. Mr. Schrader summarized the final road blocks in the transaction and the path to resolving them.

Ms. Griffith suggested an out-of-town meeting in the fall in either Medford or Eugene. The Board agreed on Medford and Ms. Pham will communicate with the Board via email to confirm a date in early October.

Ms. Jennifer Cordova presented on the purpose and requirements for TEFRA hearings.

The Board took a brief recess and reconvened at approximately 1:00 p.m.

Consideration of Final Approval for the application by Northwest Housing Alternatives for an OFA SNAP Loan in an amount not to exceed of \$4,400,000.

Ms. McLennan declared an actual conflict of interest for this transaction, explaining that she is the Executive Director of the Applicant, Northwest Housing Alternatives, Inc., and she stated 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. Stephen McMurtrey, Housing Development Director, appeared on behalf of the Applicant to present the application. Ms. Kathy Swift of Heritage Bank, the sponsoring bank, appeared to assist with the presentation.

Ms. Swift described the terms of the financing. The loan will have a ten-year fixed rate, estimated at 4.81%. The loan will have an 80.76% tax factor.

Ms. McCoog reported that all issues had been resolved, and the transaction documents were in substantially final form. She recommended the transaction for final approval.

The Executive Director's report is included in the materials. Ms. Griffith reported that the preparation for final approval has been as smooth as expected, and she recommended the transaction for final approval.

After discussion, Ms. deHamel moved that the Authority adopt Resolution 2018-9, granting final approval to Northwest Housing Alternatives, Inc. for an OFA SNAP Loan in an amount not to exceed \$4,400,000. Mr. McAuliffe seconded the motion. Ms. Martha McLennan abstained. Resolution 2018-9 was approved by the remaining four Board members.

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

Consideration of Conditional Final Approval for the application by Warner Pacific University for an OFA SNAP Loan in an amount not to exceed \$5,083,359.44.

Ms. Andrea Cook, President, 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 explained the contract for operation for food service is still outstanding, but that they expect a draft tomorrow and hope to have approval by the end of the week.

Mr. Leone summarized the financing terms. The Loan will have an initial five year fixed rate at 4.6%.

Ms. Carol McCoog summarized the private use issues with the Sodexo contract. Ms. McCoog shared she expected it to be resolved this week. She reported that all other issues had been

resolved and the documentation was in substantially final form. She recommended the transaction for final approval.

The Executive Director's report is included in the materials. Ms. Griffith congratulated the Applicant on its perseverance through its long journey, and she recommended the transaction for final approval.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2018-10, granting conditional final approval to Warner Pacific University for an OFA SNAP Loan in an amount not to exceed \$5,083,359.44. Mr. Roy Kim seconded the motion and Resolution 2018-10 was unanimously approved.

Consideration of Final Approval for the application by Greenhill Humane Society and Society for the Prevention of Cruelty to Animals for an OFA SNAP Loan in an amount not to exceed \$2,150,000.

Mr. Cary Lieberman, Executive Director, appeared on behalf of the Applicant to present the application. Ms. Jamie Louie-Smith of Columbia Bank, the sponsoring bank, appeared to assist with the presentation.

Ms. Louie-Smith announced that construction has commenced, with bank approval, and two draws have already occurred. She summarized the financing terms, reporting that the Loan would have a .7917 tax factor, and will be amortized over 25 years with reset dates at December 1, 2029 and again in 2039. The maturity date is 2044.

SNAP Counsel's report is included in the materials. Ms. McCoog reported it has been a smooth transaction and recommended it for final approval.

The Executive Director's report is included in the materials. Ms. Griffith reported that closing is expected for the end of the month and recommended the transaction for final approval.

After discussion, Mr. Johansen moved that the Authority adopt Resolution 2018-11, granting final approval to Greenhill Humane Society and Society for the Prevention of Cruelty to Animals for an OFA SNAP Loan in an amount not to exceed \$2,150,000. Mr. Kim seconded the motion and Resolution 2018-11 was unanimously approved.

Consideration of approval for National University of Natural Medicine to use OFA SNAP Bond proceeds for additional projects.

Mr. Gerald Bores, Vice President of Finance & Administration, and Mr. David Schleich, President, appeared on behalf of the Applicant to present the proposal. Mr. Gabe Wells of Columbia Bank, the sponsoring bank, appeared by telephone to assist with the presentation.

Mr. Bores explained the timeline of events that led to the unused funds and the changing needs of the University. President Schleich updated the Board on the activities of the University.

SNAP Counsel's report is included in the materials. Ms. McCoog explained how the event triggers a tax reissuance and that the plan to return to the Board was recommended in an abundance of caution. Ms. Cordova explained the need for a new TEFRA hearing. Ms. McCoog recommended approval of the Borrower's request.

The Executive Director's report is included in the materials. Ms. Griffith explained that if approval is given, the Board would see NUNM only at this meeting. She recommended approval of the request by the Borrower.

After discussion, Mr. Johansen moved that the Authority adopt Resolution 2018-12, granting approval to National University of Natural Medicine for using OFA Bond proceeds for additional projects. Mr. McAuliffe seconded the motion and Resolution 2018-12 was unanimously approved.

Consideration of Preliminary Approval for the Application by LaClinica del Valle for an OFA SNAP Loan in an approximate amount of \$4,125,000.

Ms. Jill Borovansky, Chief Financial Officer, and Brenda Johnson, Chief Executive Officer, appeared on behalf of the Applicant to present the application. Mr. Darwin Parker and Mr. Jim Servoss of Banner Bank, the sponsoring bank, appeared to assist with the presentation.

Ms. Johnson summarized the history of the Applicant, and the goals of the Project. Her presentation materials are available upon request. The organization served 30,000 people last year with 374 staff members and 37 dedicated medical providers. The Project will include the acquisition of a building for administrative employees, releasing space in three health centers to allow for expansion of services at each site.

Mr. Parker described the terms of the financing. The loan will amortize over 25 years with a 10 year final maturity and a .69 tax factor.

SNAP Counsel's report is included in the materials. Ms. McCoog reported a scoping call was held at which no unusual issues were identified. SNAP Counsel will conduct its usual diligence and hold a TEFRA hearing. Ms. McCoog recommended the transaction for preliminary approval.

The Financial Advisor's report is included in the materials. Mr. Brown reported on his conversations with the Applicant, and discussed the Applicant's RFP process for selecting Banner out of six banks that expressed interest. Mr. Brown reported that the application was consistent with his discussions with the Applicant and summarized the key terms of the Loan.

The Executive Director's report is included in the materials. Ms. Griffith expects a smooth transaction, and reported that if preliminary approval is given, the financing team would expect to return in October seeking final approval and closing. She recommended the transaction for preliminary approval.

After discussion, Mr. Johansen moved that the Authority adopt Resolution 2018-13, granting preliminary approval to La Clinica del Valle Family Health Care Center, Inc. for an OFA SNAP Loan in an approximate amount of \$4,125,000. Mr. McAuliffe seconded the motion, and Resolution 2018-13 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 2:50 pm.

/s/ Martha McLennan
Martha McLennan, Chair

/s/ Gwendolyn Griffith
Gwendolyn Griffith, Executive Director

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