

Oregon Facilities Authority

Minutes of Meeting of

March 19, 2019

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on March 19, 2019, 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 Eric Johansen, and Authority Members Sean Hubert, Beth deHamel, Kevin McAuliffe, and Roy Kim.

Participating in the meeting to assist the Authority (in person, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority; Duncan Brown of PFM, Financial Advisor; Carol McCoog of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Michael Schrader and Doug Goe of Orrick, Herrington and Sutcliffe LLP, Lead Bond Counsel; Lee Anaya and Lee Helgerson of the Office of the State Treasurer ("OST"); and Assistant Attorney General Cynthia Byrnes (by phone), Oregon Department of Justice ("DOJ").

Chair Eric Johansen called the meeting to order and presented the notice of meeting.

Introduction of Mr. Lee Helgerson

Mr. Lee Anaya introduced Mr. Lee Helgerson to the Board. Mr. Helgerson is working, once again, at the Debt Management Division of the Office of the State Treasurer. Mr. Helgerson previously worked at the Debt Management Division before joining Orrick Herrington & Sutcliffe LLP as a project manager and then assuming a role at the Oregon Department of Transportation. Ms. Griffith welcomed Mr. Helgerson back to OFA.

Approval of Minutes

The Minutes of the meeting of January 14, 2019, 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.

Mr. Michael Schrader reported on the status of the Howard St. Charter School transaction, explaining the school district and the Applicant have reached an agreement that would make the financing transaction viable. The Applicant is currently negotiating the ground lease with the church, and intends to seek final approval at the April meeting.

Mr. Schrader also reported on the PCRI transaction, noting the Applicant is apparently working through the requirements for tax-exempt financing. He believes that the Applicant will seek Final Approval in May, but at this time the transaction team is apparently in a holding pattern.

Mr. Schrader also discussed the announcement by the Portland Public School District that Trillium Charter School will be losing its charter. This was a 2007 limited offering through OFA. Two series were originally issued, with one series outstanding. Mr. Schrader confirmed it has one single bond holder.

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

Consideration of Preliminary Approval for the application by Meyer Memorial Trust for an OFA SNAP Loan in an approximate amount of \$15,000,000.

Ms. Michelle DePass, President and CEO, Ms. Brenda Hodges, Director of Finance, and Ms. Kimberly Wilson, Director of Communications, appeared on behalf of the Applicant. Ms. Kathy Swift, Senior Vice President, Non-Profit Development Officer of Heritage Bank, the sponsoring bank, appeared to assist with the presentation.

Ms. DePass presented the mission, vision and goals of the Applicant. It has awarded over \$700 million in grants to nonprofits throughout the Pacific Northwest. Its mission is *to work with and invest in organizations, communities, ideas and efforts that contribute to a flourishing and equitable Oregon*. Ms. Wilson and Ms. Hodges described the Project, which is the construction of a new headquarters located in northeast Portland, on land the Applicant has already purchased. The Applicant's presentation materials are available upon request.

Ms. Swift presented the terms of the financing. The amortization period will be 25 years. The initial interest rate (computed with a tax factor of .8078) will be fixed for 15 years, and will reset at the 16-year mark. The projected initial interest rate is 4.09%.

SNAP Counsel's report is included in the materials. Ms. McCoog reported that she and Ms. Cordova participated in the scoping call and the Project appeared to be straightforward. SNAP Counsel will perform the usual diligence, including addressing any private use issues that might arise. Ms. McCoog recommended the transaction for preliminary approval.

Mr. Duncan Brown reported that he met with the Applicant in August of 2018 and that the Application is consistent with their conversation at that time. Mr. Brown recommended the transaction for preliminary approval.

Ms. Griffith explained she has a conflict of interest because the law firm in which she is a partner provides legal representation to the Applicant. As a result, she did not provide any recommendation relating to this transaction.

Mr. Anaya, on behalf of OST, recommended the transaction for preliminary approval.

After discussion, Ms. deHamel moved that the Authority adopt Resolution 2019-3, granting preliminary approval to Meyer Memorial Trust for an OFA SNAP Loan in an

approximate amount of \$15,000,000. Mr. McAuliffe seconded the motion. Resolution 2019-3 was unanimously approved.

The Chair asked for public comment. There was none.

There being no further business to come before the Authority, the meeting was adjourned at approximately 2:15 p.m.

/s/ Eric H. Johansen
Eric H. Johansen, Chair

/s/ Gwendolyn Griffith
Gwendolyn Griffith, Executive Director

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