

Oregon Facilities Authority
Minutes of Meeting of
October 24, 2019

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on October 24, 2019, commencing at approximately 2:00 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, Vice-Chair Kevin McAuliffe, and Authority Members Sean Hubert (by phone), and Andrea Trenner (by phone).

Participating in the meeting to assist the Authority (in person, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority; Fred Eoff (by phone) of PFM, Financial Advisor to the Authority; Carol McCoog (by phone) of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Michael Schrader (by phone), Doug Goe, and Greg Blonde of Orrick, Herrington and Sutcliffe LLP, Lead Bond Counsel; Lee Helgerson and Laura Worth 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.

Consideration of Preliminary Approval for the application by Metro East Web Academy for an OFA Traditional Bond in an approximate amount of \$7,000,000.

Dr. David Gray, Executive Director, and Ms. Tonia Gebhart, Chief Operating Officer / Elementary Principal, appeared on behalf of the Applicant. Mr. Thomas Toepfer (by phone) of the financial advisory firm to the Applicant, PFM Financial Advisors, and Mr. Nick Hagen (by phone) of the underwriting firm, Piper Jaffray & Co., appeared to assist with the presentation.

The Applicant's presentation materials are available upon request. Ms. Gebhart reviewed the history and growth of the Academy, which enrolls approximately 550 students in grades K-5. Ms. Gebhart reported the purpose of the bond issuance is to obtain funds to purchase a larger facility, for renovations and improvements to the facility, and to pay costs of financing. Dr. Gray and Mr. Toepfer offered an overview of the financial situation of the Applicant, and Mr. Toepfer and Mr. Hagen reviewed the plan for financing the Project through a limited offering.

Bond Counsel's report is included in the materials. Mr. Schrader reported the bond is expected to be structured as a limited offering, in which bonds can only be sold to qualified institutional buyers. No ratings will be sought. The usual diligence process will be conducted, along with document preparation, which is well underway because the documents will be similar to a previous transaction. Mr. Schrader recommended the transaction for preliminary approval.

Mr. Eoff reported that he had consulted with Mr. Brown prior to the meeting, and the presentation was consistent with their understanding of the transaction. He recommended the transaction for preliminary approval.

The Executive Director's report is included in the materials. Ms. Griffith reviewed the progress of the transaction thus far, and observed that, if the transaction were approved today, the Applicant hoped to return in November for Final Approval and to close the transaction before the end of the year. She further observed that this is an optimistic schedule, but the financing team has been working diligently on the transaction to prepare it for approval. Ms. Griffith recommended the transaction for preliminary approval.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2019-7, granting preliminary approval to Metro East Web Academy for an OFA Traditional Bond in an approximate amount of \$7,000,000. Ms. Trenner seconded the motion and Resolution 2019-7 was unanimously approved.

Approval of Minutes

The Minutes of the meeting of June 10, 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. A general discussion ensued. OST observed that having the same financial advisory firm representing an Applicant and OFA on the same transaction was not ideal, and that OST intended to prepare an RFP for standby financial advisory services in such transactions.

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 3:30 p.m.

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

/s/ Gwendolyn Griffith
Gwendolyn Griffith, Executive Director

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