

Oregon Facilities Authority
Minutes of Meeting of
November 18, 2019

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on November 18, 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, Vice-Chair Kevin McAuliffe, and Authority Members Roy Kim, Beth deHamel (by phone), and Andrea Trenner.

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 to the Authority; Carol McCoog (by phone) of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Michael Schrader 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.

Approval of Minutes

The Minutes of the meeting of October 24, 2019, were unanimously approved.

Consideration of Approval of the updated OFA/Oregon State Treasury Memorandum of Understanding.

Ms. Griffith explained the nature of the MOU between OFA and OST and the need for the agreement to be updated.

There being no further discussion, Mr. McAuliffe moved that the Authority approve the MOU. Ms. Trenner seconded the motion and the motion was unanimously approved.

OFA Financial Advisor's Consult with Potential SNAP Applicants

Ms. Griffith reminded the Board that members had expressed an interest in knowing more about the process for educating potential SNAP Applicants regarding borrowing in general, and SNAP financing in particular. She explained the process: when a potential Applicant expresses interest in SNAP financing, she offers a consultation with OFA's Financial Advisor. Only one nonprofit has ever expressed hesitation in taking advantage of this service; all others welcome it as an opportunity learn more about how to finance their projects. Ms. Griffith asks the nonprofit to sign a certificate (a sample is in the agenda book) that the nonprofit understands that PFM works for OFA, not the nonprofit. After that, Mr. Brown contacts the nonprofit to arrange a consultation.

Mr. Brown and Ms. Worth provided a role-play demonstration of a typical consultation. Their presentation handouts are included with the materials. The purpose of the demonstration was to illustrate for Board Members the kinds of issues and questions that arise when Mr. Brown visits with a potential SNAP Applicant prior to the Applicant applying for financing. A general discussion ensued.

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.

Discussion of Enterprise Project

Ms. Griffith described the potential Enterprise Project. This project is a collaboration of two nonprofits co-locating their services. The goal is ownership of the facility by an LLC of which the two nonprofits would be members. This type of structure hasn't worked previously, despite interest by nonprofits in pursuing it. Ms. Griffith reported that Lead Bond Counsel has provided two possible pathways forward, and recommended that OFA and OST consider using this transaction to create a structure that other nonprofits could take advantage of in the future. It is a relatively small transaction, and Ms. Griffith recommends charging the nonprofits as if it were one SNAP loan rather than two SNAPs or one Traditional Loan. After discussion, the Board authorized Ms. Griffith to continue to explore this opportunity and report back on specifics.

Consideration of Final Approval for the application by Metro East Web Academy for an OFA Traditional Bond in an amount not to exceed \$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 provided an update on the Project. The Academy expects to have all necessary permits in hand by the first week of January. Metro East Web Academy also received draft 2019 audited financials, which are available upon request. Mr. Toepfer reviewed the plan of finance, and Mr. Hagan reviewed the plan for marketing.

Mr. Brown reported that the Applicant's presentation is consistent with PFM's understanding of the transaction. He notes the growth that the Academy has demonstrated over 10 years of their existence. He recommended the transaction for conditional final approval.

Bond Counsel's report is included in the materials. Mr. Schrader reviewed the conditions of approval and the expectations before being granted final approval. A due diligence call is scheduled. Mr. Schrader recommended the transaction for conditional final approval.

The Executive Director's report is included in the materials. Ms. Griffith recommended the transaction for conditional final approval.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2019-8, granting conditional final approval to Metro East Web Academy for an OFA Traditional Bond in an amount not to exceed \$7,000,000. Ms. Trenner seconded the motion and Resolution 2019-8 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 1:45 p.m.

/s/ Eric H. Johansen

Eric H. Johansen, Chair

/s/ Gwendolyn Griffith

Gwendolyn Griffith, Executive Director

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