

Oregon Facilities Authority
Minutes of Meeting of
July 11, 2022

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on July 11, 2022, commencing at approximately 12:00 p.m. The physical location of the meeting was 888 SW Fifth Avenue, Suite 1600, Portland, Oregon. The meeting was held by Zoom teleconference.

Authority Members participating in the meeting (via Zoom, unless otherwise indicated) were: Chair Roy Kim (in-person), Vice-Chair Andrea Trenner, Authority Members Eric Johansen (in-person), Erika Patton, Sean Hubert (in-person), Kathleen Cornett, and Erick Petersen.

Participating in the meeting to assist the Authority (via Zoom, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority (in-person), Nick Pham, Executive Assistant to the Authority, Carol McCoog of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel; Doug Goe, Michael Schrader, and Greg Blonde, of Orrick Herrington and Sutcliffe LLP, Lead Bond Counsel; Duncan Brown and Maggie Marshall of PFM Financial Advisors, Financial Advisor to the Authority; Kevin Quinn of Wye River Group, Alternate Financial Advisor to the Authority; Laura Worth of the Office of the State Treasurer ("OST"); and Senior Assistant Attorney General Sam Zeigler, Oregon Department of Justice ("DOJ").

Chair Roy Kim called the meeting to order and presented the notice of meeting.

Welcoming New Board Member

Mr. Kim introduced and welcomed new OFA Board Member, Erick Petersen.

Honoring Kevin McAuliffe

Mr. Kim thanked Mr. Kevin McAuliffe for his service on the OFA Board from 2007 to 2022. Mr. McAuliffe served as Board Chair from 2010-2012, and Vice-Chair from 2009-2010, and again from 2019-2020. Mr. McAuliffe was instrumental in the design and implementation of OFA's SNAP Loan Program.

Attendees took turns thanking Mr. McAuliffe and wishing him well.

Approval of Minutes

The Minutes of the meeting of May 9, 2022, were unanimously approved.

Executive Director Reports

Mr. Schrader reported on the “on-hold” status of the Clackamas Middle College transaction. Ms. Griffith directed the Board’s attention to the Bonding Report and General Report, both of which were included with the materials. She discussed plans for a Board meeting and informational session in Bend in the fall, an info session in Eugene as well as Astoria, and a Board meeting and info session in Medford in the spring.

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

Consideration of Final Approval for the application by Adapt for an OFA SNAP Loan in an amount not to exceed \$2,850,000.

Mr. Jerry O’Sullivan, Chief Regional Business Operations, and Mr. Grayson Bly, Chief Financial Officer, appeared on behalf of the Applicant. Ms. Sharon Guisande of Columbia Bank, appeared to assist with the Application. The Applicant's presentation materials are available upon request.

Mr. O’Sullivan presented on the scope of the project and discuss the HVAC and boiler systems used at the Adapt facility (a former hospital). He also discussed the changes made to the original funding request. The Project will finance a new HVAC system and new windows in the facility. While the original application included a refinancing of various loans related to properties used in Adapt’s mission in Coos, Josephine, and Douglas Counties, the Project has been downsized to include only the HVAC and windows portions of the Project. This reduced the loan amount to \$2,850,000.

Ms. Guisande presented the terms of the loan, which will have a 25-year amortization period and a 10-year term. The expected SNAP Loan interest rate was locked in 4.38% before the federal interest rate was increased.

SNAP Loan Counsel’s report is included in the materials. Ms. McCoog reported the tax due diligence is complete and that bank and Bond documents are in substantially final form. She said the target closing date is July 22, 2022 and recommended the transaction for final approval.

The Executive Director’s report is included in the materials. Ms. Griffith reported Adapt held a TEFRA hearing on June 17, 2022. No comments were received. Ms. Griffith recommended the transaction for final approval.

After discussion, Ms. Trenner moved that the Authority adopt Resolution 2022-5, granting Final Approval to Adapt, for an OFA SNAP

Loan in an amount not to exceed \$2,850,000. Resolution 2022-5 was unanimously approved.

Consideration of Preliminary Approval for the application by Hope Village, Inc. for an OFA Traditional Bond in an approximate amount of \$26,000,000.

Mr. Craig Gingerich, Executive Director, and Mr. Cliff Mars, Vice President of Finance, appeared on behalf of the Applicant. Mr. Alex Dinkels and Mr. Dan Connelly of Marathon Capital Strategies, Financial Advisor to the Applicant, appeared to assist with the presentation.

Mr. Gingerich presented on the history and mission of Hope Village, Inc. and discussed the scope of the Project. The Applicant provides senior living facilities in Canby, Oregon. The Project will finance the construction of 36 cottages for senior living (\$22,000,000), refinance several existing loans (\$4,000,000), and pay capitalized interest and cost of financing.

Mr. Dinkels presented the financing plan. The term of the bank loan is 20 years with an amortization period of 30 years after the initial 36-month draw down period. The current interest rate is 4.12%, subject to change until it is locked before closing. The bank is Silicon Valley Bank.

Mr. Blonde described a change in the trustee role for this transaction. Historically, OFA and OST have required a trustee to serve for all Traditional Bond transactions, even those with a single bank purchaser. This has made obtaining information easier for OFA during the life of the loan. However, many of the traditional tasks of a trustee are not relevant to a bank placement transaction. At the request of the Applicant and purchasing bank, OST, OFA and Bond Counsel explored a more limited role that would focus on information reporting rather than holding collateral or enforcing loan covenants for bondholders. US Bank was willing to play this role, which results in a substantial savings for the Applicant. Ms. Griffith explained that this is an experiment and OFA/OST will evaluate how well this model works. In the future, it might be used for other bank placements in the Traditional Bond program.

The Financial Advisor's report is included in the materials. Mr. Brown reported that he attended the scoping call and kick-off call. He recommended the transaction for preliminary approval.

Bond Counsel's report is included in the materials. Mr. Goe reported he and Mr. Blonde attended the scoping call. Mr. Goe recommended the transaction for preliminary approval.

The Executive Director's report is included in the materials. Ms. Griffith welcomed the Applicant to OFA, and reported that if preliminary approval is granted, the Applicant hopes to return for final approval in August. Ms. Griffith recommended the transaction for preliminary approval.

After discussion, Ms. Trenner moved that the Authority adopt Resolution 2022-6, granting Preliminary Approval to Hope Village, Inc., for an OFA Traditional Bond in an amount not to exceed \$26,000,000. Resolution 2022-6 was unanimously approved.

Consideration of Budget for FY 2022-2023

Ms. Griffith presented the proposed budget for fiscal year 2022-23, which was included with the supplemental materials. Ms. Griffith suggested sending a Board member to the fall NAHEFFA conference in Bozeman, MT and noted that Mr. Johansen had volunteered to travel on behalf of OFA.

After discussion, Ms. Cornett moved that the Authority adopt the proposed Budget for fiscal year 2022-2023 with the additional amount (\$3,000) needed to send Mr. Johansen to the NAHEFFA conference. Mr. Hubert seconded the motion. The motion 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 2:47 p.m.

/s/Roy Kim
Roy Kim, Chair

/s/Gwendolyn Griffith
Gwendolyn Griffith, Executive Director

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