

AGENDA BOOK
OREGON FACILITIES AUTHORITY
Business Meeting

January 9, 2023

Tonkon Torp LLP
888 SW Fifth Ave., Suite 1600, Portland, OR 97204

SUMMARY AGENDA
OREGON FACILITIES AUTHORITY
Business Meeting
January 9, 2023
12:00 PM – 1:00 PM – OFA Business
1:00 PM – 3:00 PM – Bond Applications
888 SW Fifth Ave., Suite 1600, Portland, OR
And by Zoom conference and telephone (see below)

Tab	Item	Action Required
1	Approval of Minutes of October 17, 2023	Yes
2	Executive Director's Reports <i>Bonding Report</i> <i>General Report</i>	No
3	Ratification of Memorandum of Understanding with Oregon State Treasury	Yes
4	Informational Items <i>Brief Recess</i>	No
5	Consideration of Preliminary Approval for the application by Portland Village Charter School for an OFA Traditional Bond in an approximate amount of \$9,295,000	Yes
	Other Matters for the Authority	No
	Public Comment	No

The physical location of the meeting is:

888 SW Fifth Avenue, Suite 1600, Portland, OR 97204
COVID-19 restrictions on attendance are in place,
which restrict attendance in-person

To attend by video conference:

<https://tonkon.zoom.us/j/92910796828?pwd=c2IxQVdJT0k0UTNHUjFaVTFObU43QT09>

**To attend by teleconference, dial by your closest location
then enter meeting ID and passcode:**

(Tacoma) 253-215-8782 (Chicago) 312-626-6799, or (New York) 646-558-8656

Meeting ID: 929 1079 6828; Passcode: 281 854

*OFA helps nonprofit organizations access lower cost financing for capital projects by facilitating the issuance of tax
exempt conduit revenue bonds.*

WORKING AGENDA
OREGON FACILITIES AUTHORITY
January 9, 2023
888 SW Fifth Ave., Suite 1600, Portland, OR
And by Zoom conference and telephone (see below)
12:00 PM – 3:00 PM – OFA Business and Bond Applications

<u>Tab</u>	<u>Discussion and Action</u>	<u>Time</u>
	Call to Order and Present Notice of Meeting	12:05
1.	Approval of Minutes of Meeting of October 17, 2022	12:05 – 12:10
2.	Executive Director’s Reports <i>Bonding Report</i> <i>General Report</i>	12:10 – 12:40
3.	Ratification of Memorandum of Understanding with Oregon State Treasury	12:40 – 12:45
	Officer Elections	12:45 – 12:55
4.	Oregon Bond Calendar and Other Items – Informational Only	12:55 – 1:00
	<i>Meeting recess to change rooms</i>	
5.	Consideration of Preliminary Approval for the application by Portland Village Charter School for an OFA Traditional Bond in an amount not to exceed \$9,295,000	1:35 – 2:05

We will hear from:

Applicant:	Dr. Jenni Stackhouse, Executive Director, and Mr. Doug Miller, Board Treasurer
Financial Advisor to Applicant:	Mr. David Robertson, Lewis Young Robertson & Birmingham
Underwriter:	Mr. Matt Donahue, D.A. Davidson & Co.
Bond Counsel:	Mr. Michael Schrader, Orrick Herrington & Sutcliffe LLP
OFA Executive Director:	Ms. Gwendolyn Griffith

Possible action: *Approval of Resolution 2023-2, granting Preliminary Approval to Portland Village Charter School for an OFA Traditional Bond in an approximate amount of \$9,295,000.*

Public Comment: No Action Required

Other Matters for the Authority: No Action Required

The physical location of the meeting is:
888 SW Fifth Avenue, Suite 1600, Portland, OR 97204

To attend by video conference:
<https://tonkon.zoom.us/j/92910796828?pwd=c2IxQVdJT0k0UTNHUjFaVTFObU43QT09>

**To attend by teleconference, dial by your closest location
then enter meeting ID and passcode:**
(Tacoma) 253-215-8782 (Chicago) 312-626-6799, or (New York) 646-558-8656

Meeting ID: 929 1079 6828; Passcode: 281 854

034439\00001\14325861v3

TAB 1

Oregon Facilities Authority
Minutes of Meeting of
October 17, 2022

A duly called meeting of the Oregon Facilities Authority (“OFA” or the “Authority”) was held on October 17, 2022, commencing at approximately 12:00 p.m. The physical location of the meeting was Oregon State University – Cascades, 1500 SW Chandler Ave., Bend, Oregon. The meeting was also held by Zoom teleconference.

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

Participating in the meeting to assist the Authority (in person, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority, Nick Pham, Executive Assistant to the Authority, Carol McCoog (via Zoom) of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel; Doug Goe (via Zoom), Michael Schrader (via Zoom), Christine Rankin (via Zoom), 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 (via Zoom) 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 (via Zoom), Oregon Department of Justice (“DOJ”).

Vice-Chair Andrea Trenner called the meeting to order and presented the notice of meeting. She chaired the meeting.

Ms. Trenner and Ms. Griffith welcomed and introduced the guests: Mr. Phil Chang, Deschutes County Commissioner, Mr. Scott Cooper, Executive Director of Neighborhood Impact, Mr. Brad Beckwith, Executive Director of Deschutes Children’s Foundation, and Ms. Gwenn Wysling, Executive Director of Bethlehem Inn. The guests discussed the needs of the local communities, the ways the local nonprofit community provides services, and their hopes for the future.

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

Consideration of Final Approval for the application by Academy for Character Education (ACE) for an OFA Traditional Bond in an amount not to exceed \$5,000,000.

Ms. Starr Sahnaw, Principal, and Mr. Joseph Lewis, Board President, appeared on behalf of the Applicant. Mr. Matt Donahue of D.A. Davidson & Co., Underwriter for the transaction, and Mr. David Robertson of Lewis Young Robertson &

Burningham, Inc., financial advisor to the application, appeared to assist with the presentation.

Mr. Robertson presented the plan of finance. The term of the bonds are expected to be 30 years, and he anticipates a fixed interest rate of 5.5-6.0%. The bonds are non-rated and will be offered in a limited offering to qualified institutional investors. Certain terms of the bonds to be offered in the limited offering are not yet final, but those remaining to be negotiated with the final buyers would likely strengthen the credit.

The Financial Advisor's report is included in the materials. Mr. Brown reported that the transaction as described is consistent with the transaction as discussed in the financing team. He recommended the transaction for final approval.

Bond Counsel's report is included in the materials. Mr. Schrader described the tax-exempt and federally taxable series, and described the restrictions on sales in a limited offering. He reported that documents are in substantially final form. Mr. Schrader recommended the transaction for final approval.

The Executive Director's report is included in the materials. Ms. Griffith reported that the financing team has met the requirements for substantially final documents, and complimented the team on its hard work. Ms. Griffith recommended the transaction for final approval.

After discussion, Mr. Johansen moved that the Authority adopt Resolution 2022-10, granting Final Approval to Academy for Character Education (ACE) for an OFA Traditional Bond in an amount not to exceed \$5,000,000. Resolution 2022-10 was unanimously approved.

Consideration of Final Approval for the application by Santiam Memorial Hospital, Inc. for an OFA SNAP Loan in an amount not to exceed \$5,000,000.

Ms. Maggie Hudson, President & CEO, and Ms. Rachael Seeder, CHFP, CPA, Chief Financial Officer, appeared on behalf of the Applicant. Ms. Kristen Sundin of Key Government Finance, Inc., appeared to assist with the presentation.

Ms. Hudson reviewed the scope of the Project, which will finance the acquisition and installation of the EPIC system of electronic health records. Ms. Hudson summarized the terms and collaborative partnership with St. Charles Medical Center in Bend, Oregon, to obtain the EPIC license.

Ms. Sundin presented the plan of finance. The Bank is offering a loan with an initial interest-only period through May 1, 2023, and then a five-year amortization period. The estimated SNAP Loan interest rate is 4.42%.

SNAP Loan Counsel's report is included in the materials. Ms. McCoog reported documents are in substantially final form. Ms. McCoog recommended the transaction for final approval.

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

After discussion, Ms. Cornett moved that the Authority adopt Resolution 2022-11, granting Final Approval to Santiam Memorial Hospital, Inc. for an OFA SNAP Loan in an approximate amount of \$5,000,000. Resolution 2022-11 was unanimously approved.

Approval of Minutes

The Minutes of the meeting of September 12, 2022, were unanimously approved.

Executive Director Reports

Mr. Greg Blonde presented on the process of transitioning Borrowers from the use of the outdated LIBOR rate to other interest rates indexes. Mr. Johansen described the NAHEEFA Conference that he attended in Boise, Idaho. Ms. Griffith presented the Executive Director reports which were included in the materials.

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 3:00 p.m.

Andrea Trenner, Vice-Chair

Gwendolyn Griffith, Executive Director

034439\00001\14350706v1

TAB 2

OREGON FACILITIES AUTHORITY
Gwen Griffith
Executive Director

MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice-Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwendolyn Griffith

Date: January 3, 2023

Subject: Executive Director's Bonding Report as of December 31, 2022

REPORT ON PENDING APPLICATIONS

<u>Applicant/Type</u>	<u>Amount Requested</u>
Clackamas Middle College (T)	\$ 5,000,000

STATUS OF BONDING AUTHORITY – 2021-2023 Biennium

Summary of 2021-2023 Biennium Financing:

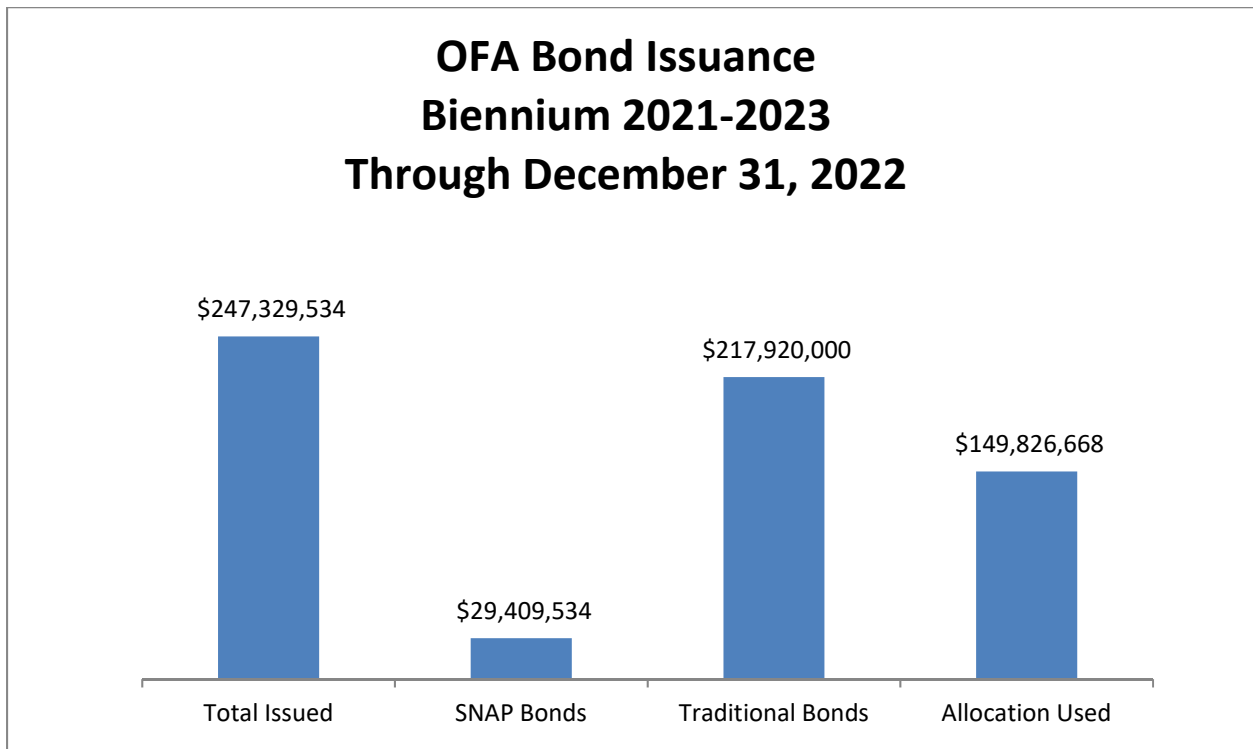
Total Authorized by Legislature	\$1,000,000,000.00
Total Utilized	- <u>149,826,668.04</u>
<i>Unused Balance</i>	\$ 850,173,331.96

BIENNIUM ALLOCATION—ANNUAL SESSIONS: For the 2021-2023 biennium, the Legislature allocated \$1 billion for OFA's issuance.

PRIVATE ACTIVITY BOND ALLOCATION: No private activity bond allocation was made to OFA for this biennium. If OFA needs allocation, the Executive Director will apply to the PAB Committee and the committee may allocate PAB to OFA. However, PAB allocation is scarce this biennium.

CLOSED TRANSACTIONS 2021-2023

Nonprofit Organization	Issued Amount	Allocation Used
Siskiyou Community Health Center	\$ 8,025,000	\$ 8,025,000
Cascade Health	\$ 7,877,866	\$ 0
Cedarwood Waldorf School	\$ 1,856,668	\$ 1,856,668
Mercy Flights, Inc.	\$ 3,800,000	\$ 3,800,000
Legacy Health	\$ 285,765,000	\$ 98,070,000
Adapt	\$ 2,850,000	\$ 2,850,000
Hope Village, Inc.	\$ 26,000,000	\$ 26,000,000
Santiam Memorial Hospital	\$ 5,000,000	\$ 5,000,000
ACE Charter School	\$ 5,000,000	\$ 5,000,000
Total:	\$ 247,329,534	\$ 149,826,668



034439\00001\14347327v1

OREGON FACILITIES AUTHORITY

Gwendolyn Griffith
Executive Director

MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwendolyn Griffith

Date: January 4, 2023

Subject: Executive Director's General Report

Transactions

Closed Transactions:	ACE Charter School (T) Santiam Memorial Hospital (S)
Pending Transactions:	Clackamas Middle College (T)
New Applications:	Portland Village Charter School (T) City View Charter School (T)

Memorandum of Understanding

OST requested, and I have signed, the MOU between OST and OFA for the OST fees during the calendar year 2023. The amount charged will be \$4,000 per month. This is an increase from last year. We will discuss this in detail at the meeting, and I am asking for ratification of this agreement by the Board.

Marketing

The Bend meeting was a success! We had 32 guests at our Informational Session, and as a result of that meeting, we are talking with two nonprofits from the area for

SNAP Loans. *Many thanks* to Erick Petersen for many introductions and invitations to people in the Central Oregon area and for finding the perfect meeting place for the OFA meetings.

I am working on a “mini” Info Session for SNAP Loans to be recorded and placed on our website. I would really like a Board Member to make a cameo appearance— please let me know if you are interested.

We have scheduled the following events (details to follow):

February 17*, 2023	Informational Session	Eugene
April, 2023	Informational Session	Astoria
May 8, 2023	Board Meeting & Info Session	Medford
June, 2023	Informational Session	Gresham

*contingent on site availability

Financial Report

Attached to this report are financial statements for September, October & November, 2022. Here is a snapshot of results for these months of the fiscal year (highlighted area = new information):

Month 2022-23	End of Month Cash Balance	Month’s Actual Results (Favorable) or Unfavorable to YTD Budget	Bond Transactions Closed
November	\$804,589.70	\$27,723.63	1
October	\$805,173.99	\$9,389.88	1
Sept	\$789,591.91	(\$12,268.83)	0
August	\$817,208.21	(\$ 6,936.68)	1
July	\$818,018.46	(\$11,791.67)	0

The OFA financial information is provided by OST. OFA generally reports on a cash method: revenue is booked when received, and expenses are booked when paid. The exception to that is at the end of the fiscal year in June of each year. At that time, most of the income and expenses attributable to the fiscal year then ending are allocated to that year, even if paid in the new fiscal year.

The bookkeeping procedures are not tightly tied to OFA's meeting schedule, so we are often a month or more behind in reporting revenue and expenses.

Attachments:

- OFA Income and Expense Reports for Sept, Oct & Nov 2022

034439\00001\14353466v1

OREGON FACILITIES AUTHORITY
Income and Expense Report
September 2022

Item	Detail	Annual Budget	Month Budget	Month Actual	Difference	Year to Date Budget	Year to Date Actual	Difference
Income								
Interest Income		\$4,200.00	\$350.00	\$1,233.08	\$883.08	\$1,050.00	\$3,205.84	\$2,155.84
Application Fees		\$3,500.00	\$291.67	\$0.00	-\$291.67	\$875.00	\$0.00	-\$875.00
Closing: Reg. Bond		\$120,000.00	\$10,000.00	\$0.00	-\$10,000.00	\$30,000.00	\$0.00	-\$30,000.00
Closing: SNAP Bond		\$65,000.00	\$5,416.67	\$0.00	-\$5,416.67	\$16,250.00	\$8,212.50	-\$8,037.50
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$192,700.00	\$16,058.33	\$1,233.08	-\$14,825.25	\$48,175.00	\$11,418.34	-\$36,756.66
Expenses								
Executive Director	June & July	\$160,000.00	\$13,333.33	\$25,635.00	\$12,301.67	\$40,000.00	\$25,635.00	-\$14,365.00
Financial Advisor	Santiam	\$11,000.00	\$916.67	\$2,000.00	\$1,083.33	\$2,750.00	\$2,000.00	-\$750.00
Bond Counsel Projects		\$1,200.00	\$100.00	\$0.00	-\$100.00	\$300.00	\$0.00	-\$300.00
Department Justice	May, July, August	\$4,000.00	\$333.33	\$1,511.40	\$1,178.07	\$1,000.00	\$1,511.40	\$511.40
Board Travel and Expenses		\$8,000.00	\$666.67	\$0.00	-\$666.67	\$2,000.00	\$0.00	-\$2,000.00
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$50.00	\$0.00	-\$50.00
Website		\$500.00	\$41.67	\$0.00	-\$41.67	\$125.00	\$0.00	-\$125.00
Oregon State Treasurer		\$38,500.00	\$3,208.33	\$0.00	-\$3,208.33	\$9,625.00	\$11,280.00	\$1,655.00
Dept. of Admin. Services		\$100.00	\$8.33	\$0.00	-\$8.33	\$25.00	\$6.63	-\$18.37
Association Dues and Pub		\$3,000.00	\$250.00	\$0.00	-\$250.00	\$750.00	\$0.00	-\$750.00
Postage		\$700.00	\$58.33	\$95.42	\$37.09	\$175.00	\$95.42	-\$79.58
Printing/Copying		\$500.00	\$41.67	\$19.35	-\$22.32	\$125.00	\$19.35	-\$105.65
Phone		\$100.00	\$8.33	\$3.37	-\$4.96	\$25.00	\$3.37	-\$21.63
Banking		\$150.00	\$12.50	\$11.00	-\$1.50	\$37.50	\$43.00	\$5.50
Outreach/Legislative		\$35,000.00	\$2,916.67	\$0.00	-\$2,916.67	\$8,750.00	\$0.00	-\$8,750.00
Post Issuance Compliance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	Mr. McAuliffe's card and plaque and lunch for Board Meeting	\$500.00	\$41.67	\$743.00	\$701.33	\$125.00	\$780.50	\$655.50
Financial Services Support Proj.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$263,450.00	\$21,954.17	\$30,018.54	\$8,064.37	\$65,862.50	\$41,374.67	-\$24,487.83
Net Cash		-\$70,750.00	-\$5,895.83	-\$28,785.46	-\$22,889.63	-\$17,687.50	-\$29,956.33	-\$12,268.83

Cash Balance

9/1/2022	\$818,018.46
9/30/2022	\$789,591.91

Net from investments	\$1,233.08
Net from operations	(\$30,018.54)

Prepared by: Gwendolyn Griffith
10/25/2022

Information provided by OST

End of 2020-2021 Fiscal Year Cash Balance per OST

\$808,990.00

OREGON FACILITIES AUTHORITY
Income and Expense Report
October 2022

Item	Detail	Annual Budget	Month Budget	Month Actual	Difference	Year to Date Budget	Year to Date Actual	Difference
Income								
Interest Income		\$4,200.00	\$350.00	\$1,423.88	\$1,073.88	\$1,400.00	\$4,629.72	\$3,229.72
Application Fees	ACE Charter School	\$3,500.00	\$291.67	\$500.00	\$208.33	\$1,166.67	\$500.00	-\$666.67
Closing: Reg. Bond		\$120,000.00	\$10,000.00	\$0.00	-\$10,000.00	\$40,000.00	\$0.00	-\$40,000.00
Closing: SNAP Bond	Santiam Memorial Hospital	\$65,000.00	\$5,416.67	\$13,860.00	\$8,443.33	\$21,666.67	\$22,072.50	\$405.83
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$192,700.00	\$16,058.33	\$15,783.88	-\$274.45	\$64,233.33	\$27,202.22	-\$37,031.11
Expenses								
Executive Director		\$160,000.00	\$13,333.33	\$0.00	-\$13,333.33	\$53,333.33	\$25,635.00	-\$27,698.33
Financial Advisor		\$11,000.00	\$916.67	\$0.00	-\$916.67	\$3,666.67	\$2,000.00	-\$1,666.67
Bond Counsel Projects		\$1,200.00	\$100.00	\$0.00	-\$100.00	\$400.00	\$0.00	-\$400.00
Department Justice		\$4,000.00	\$333.33	\$0.00	-\$333.33	\$1,333.33	\$1,511.40	\$178.07
Board Travel and Expenses		\$8,000.00	\$666.67	\$0.00	-\$666.67	\$2,666.67	\$0.00	-\$2,666.67
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$66.67	\$0.00	-\$66.67
Website		\$500.00	\$41.67	\$0.00	-\$41.67	\$166.67	\$0.00	-\$166.67
Oregon State Treasurer		\$38,500.00	\$3,208.33	\$0.00	-\$3,208.33	\$12,833.33	\$11,280.00	-\$1,553.33
Dept. of Admin. Services		\$100.00	\$8.33	\$0.00	-\$8.33	\$33.33	\$6.63	-\$26.70
Association Dues and Pub		\$3,000.00	\$250.00	\$0.00	-\$250.00	\$1,000.00	\$0.00	-\$1,000.00
Postage		\$700.00	\$58.33	\$0.00	-\$58.33	\$233.33	\$95.42	-\$137.91
Printing/Copying		\$500.00	\$41.67	\$0.00	-\$41.67	\$166.67	\$19.35	-\$147.32
Phone		\$100.00	\$8.33	\$0.00	-\$8.33	\$33.33	\$3.37	-\$29.96
Banking		\$150.00	\$12.50	\$21.00	\$8.50	\$50.00	\$64.00	\$14.00
Outreach/Legislative		\$35,000.00	\$2,916.67	\$0.00	-\$2,916.67	\$11,666.67	\$0.00	-\$11,666.67
Post Issuance Compliance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other		\$500.00	\$41.67	\$0.00	-\$41.67	\$166.67	\$780.50	\$613.83
Financial Services Support Proj.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$263,450.00	\$21,954.17	\$21.00	-\$21,933.17	\$87,816.67	\$41,395.67	-\$46,421.00
Net Cash		-\$70,750.00	-\$5,895.83	\$15,762.88	\$21,658.71	-\$23,583.33	-\$14,193.45	\$9,389.88

Cash Balance

10/1/2022	\$789,591.91
10/31/2022	\$805,173.99

Net from investments	\$1,423.88
Net from operations	\$14,339.00

Prepared by: Gwendolyn Griffith
12/5/2022

Information provided by OST

End of 2020-2021 Fiscal Year Cash Balance per OST **\$808,990.00**

OREGON FACILITIES AUTHORITY
Income and Expense Report
November 2022

<i>Item</i>	<i>Detail</i>	<i>Annual Budget</i>	<i>Month Budget</i>	<i>Month Actual</i>	<i>Difference</i>	<i>Year to Date Budget</i>	<i>Year to Date Actual</i>	<i>Difference</i>
Interest Income		\$4,200.00	\$350.00	\$1,771.08	\$1,421.08	\$1,750.00	\$6,400.80	\$4,650.80
Application Fees		\$3,500.00	\$291.67	\$0.00	-\$291.67	\$1,458.33	\$500.00	-\$958.33
Closing: Reg. Bond	ACE Charter School	\$120,000.00	\$10,000.00	\$12,675.00	\$2,675.00	\$50,000.00	\$12,675.00	-\$37,325.00
Closing: SNAP Bond		\$65,000.00	\$5,416.67	\$0.00	-\$5,416.67	\$27,083.33	\$22,072.50	-\$5,010.83
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$192,700.00	\$16,058.33	\$14,446.08	-\$1,612.25	\$80,291.67	\$41,648.30	-\$38,643.37
Expenses								
Executive Director		\$160,000.00	\$13,333.33	\$0.00	-\$13,333.33	\$66,666.67	\$25,635.00	-\$41,031.67
Financial Advisor		\$11,000.00	\$916.67	\$0.00	-\$916.67	\$4,583.33	\$2,000.00	-\$2,583.33
Bond Counsel Projects		\$1,200.00	\$100.00	\$0.00	-\$100.00	\$500.00	\$0.00	-\$500.00
Department Justice		\$4,000.00	\$333.33	\$0.00	-\$333.33	\$1,666.67	\$1,511.40	-\$155.27
Board Travel and Expenses	NAHEEFA travel	\$8,000.00	\$666.67	\$1,949.67	\$1,283.00	\$3,333.33	\$1,949.67	-\$1,383.66
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$83.33	\$0.00	-\$83.33
Website		\$500.00	\$41.67	\$0.00	-\$41.67	\$208.33	\$0.00	-\$208.33
Oregon State Treasurer		\$38,500.00	\$3,208.33	\$0.00	-\$3,208.33	\$16,041.67	\$11,280.00	-\$4,761.67
Dept. of Admin. Services		\$100.00	\$8.33	\$0.00	-\$8.33	\$41.67	\$6.63	-\$35.04
Association Dues and Pub		\$3,000.00	\$250.00	\$0.00	-\$250.00	\$1,250.00	\$0.00	-\$1,250.00
Postage		\$700.00	\$58.33	\$0.00	-\$58.33	\$291.67	\$95.42	-\$196.25
Printing/Copying		\$500.00	\$41.67	\$0.00	-\$41.67	\$208.33	\$19.35	-\$188.98
Phone		\$100.00	\$8.33	\$0.00	-\$8.33	\$41.67	\$3.37	-\$38.30
Banking		\$150.00	\$12.50	\$21.00	\$8.50	\$62.50	\$85.00	\$22.50
Outreach/Legislative		\$35,000.00	\$2,916.67	\$0.00	-\$2,916.67	\$14,583.33	\$0.00	-\$14,583.33
Post Issuance Compliance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	Secretary of State	\$500.00	\$41.67	\$37.50	-\$4.17	\$208.33	\$818.00	\$609.67
Financial Services Support Proj.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$263,450.00	\$21,954.17	\$2,008.17	-\$19,946.00	\$109,770.83	\$43,403.84	-\$66,366.99
Net Cash		-\$70,750.00	-\$5,895.83	\$12,437.91	\$18,333.74	-\$29,479.17	-\$1,755.54	\$27,723.63

Cash Balance

11/1/2022	\$805,173.99
11/30/2022	\$804,589.70

Net from investments	\$1,771.08
Net from operations	\$10,666.83

Prepared by: Gwendolyn Griffith
12/30/2022

Information provided by OST

End of 2020-2021 Fiscal Year Cash Balance per OST

\$808,990.00

TAB 3



**OREGON
STATE
TREASURY**

Tobias Read
Oregon State Treasurer

Michael Kaplan
Deputy State Treasurer

December 19, 2022

Memorandum

From: Jacqueline Knights, Director
Debt Management Division

To: Gwen Griffith, Executive Director
Oregon Facilities Authority

Re: Memorandum of Understanding (MOU) between Oregon Facilities Authority (OFA) and the Office of the State Treasurer (OST)

We have completed our review of FY22 time and costs involved in providing various accounting and other administrative oversight services to OFA. Effective January 1, 2023, the administrative fee charged to OFA will be Four Thousand (\$4,000) per month for calendar year 2023.

This MOU has an expiration date of December 31, 2023, at which time OST will review and evaluate the administrative fee for the next calendar year. However, the parties to this MOU may terminate it by mutual consent with written notice of such termination.

IN WITNESS WHEREOF, Oregon State Treasury and the Oregon Facilities Authority, acting through their duly authorized representatives, executed this MOU **as of the date set forth above.**

**OREGON STATE TREASURY
AUTHORITY**

DocuSigned by:

1/3/2023
38A7988CA1F74CB...

**JACQUELINE KNIGHTS
DIRECTOR, DEBT MANAGEMENT DIVISION**

OREGON FACILITIES

DocuSigned by:

12/23/2022
DFA7BA127EA140E...

**GWEN GRIFFITH
EXECUTIVE DIRECTOR**

Cc: Laura Worth, Sr. Debt Analyst



TAB 4



Oregon State Treasury
 Debt Management Division
 867 Hawthorne Ave SE
 Salem, OR 97301
 (503) 378-4930
 DMD@ost.state.or.us

Oregon Bond Calendar

For Sale Dates from 12/1/2022 to 4/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
December 2022									
SOLD									
12/01	Clackamas Cty SD 3J (W.Linn-Wilsonville)	Negotiated	General Obligation (N) Bonds	2022A \$8,170,605	New school facilities and improvements	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input checked="" type="checkbox"/>	06/15/2036	13.50 TIC 4.42276%	1. Piper Sandler & Co. 2. Mersereau & Shannon LLP 3. SDAO Advisory Services LLC
12/01	Clackamas Cty SD 3J (W.Linn-Wilsonville)	Negotiated	General Obligation (N) Bonds	2022B \$50,750,000	New school facilities and improvements	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2035	8.94 TIC 3.26035%	1. Piper Sandler & Co. 2. Mersereau & Shannon LLP 3. SDAO Advisory Services LLC
12/01	Oregon Housing & Community Services Department 27th Avenue Apartments Limited Partnership	Privately Placed	Conduit Revenue Bonds	2022HH \$15,750,000	27th Avenue Apartments Project	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	12/01/2042	0.00	1. KeyBank, NA 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
12/06	Oregon Department Of Transportation	Negotiated	Revenue Bonds	2022A \$214,035,000	Finance projects on state highways, including projects designated as part of Keep Oregon Moving	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	11/15/2047	13.85 ATIC 3.7505%	1. Morgan Stanley 2. Orrick, Herrington & Sutcliffe 3. Public Resources Advisory Group
12/09	Oregon Housing & Community Services Department Gateway Commons Apartments, LLC	Privately Placed	Conduit Revenue Bonds	2022JJ-1 \$19,691,000	Gateway Commons Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	01/01/2038	15.50 Fixed 4.36%	1. Other 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
12/09	Oregon Housing & Community Services Department Gateway Commons Apartments, LLC	Privately Placed	Conduit Revenue Bonds	2022JJ-2 \$4,059,000	Gateway Commons Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	12/10/2024	2.00	1. Other 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
12/14	HFA Klamath Falls Sky Lakes Medical Center, Inc.	Privately Placed	Conduit Revenue Bonds	2022 \$11,000,000	Capital Projects and Refunding	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	09/01/2031	5.00 ATIC 4.1008%	1. JP Morgan Chase Bank 2. Orrick, Herrington & Sutcliffe 3. None



Oregon State Treasury
 Debt Management Division
 867 Hawthorne Ave SE
 Salem, OR 97301
 (503) 378-4930
 DMD@ost.state.or.us

Oregon Bond Calendar

For Sale Dates from 12/1/2022 to 4/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
-----------	--------	-----------	-----------	-----------------------	---------	---	----------------------------	------------------------------------	---

December 2022

SOLD									
12/19	Oregon Housing & Community Services Department Union at Pacific Highway, LP	Privately Placed	Conduit Revenue Bonds	2022II-1 \$29,475,000	Union at Pacific Highway Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	12/01/2039	15.87 ATIC 5.5%	1. Other 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
12/19	Oregon Housing & Community Services Department Union at Pacific Highway, LP	Privately Placed	Conduit Revenue Bonds	2022II-2 \$2,525,000	Union at Pacific Highway Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	12/01/2025	2.94 ATIC 6.75%	1. Other 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
12/22	Oregon Housing & Community Services Department Gateway Phase 2 Limited Partnership	Privately Placed	Conduit Revenue Bonds	2022KK \$11,266,072	Gateway Phase 2	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	12/01/2053	8.76	1. Citibank 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.

January 2023

PROPOSED									
01/31	City Of West Linn	Competitive	Full Faith & Credit Obligations(S)	2022 \$12,500,000	Water Line Improvements	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. To Be Determined 2. Orrick, Herrington & Sutcliffe 3. D.A. Davidson & Co.

February 2023

PROPOSED									
02/01	City Of Happy Valley	Competitive	Full Faith & Credit Obligations(S)	2023 \$14,975,000	Prroperty acquisition for parks/URA	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. To Be Determined 2. Hawkins, Delafield & Wood 3. D.A. Davidson & Co.



Oregon State Treasury
 Debt Management Division
 867 Hawthorne Ave SE
 Salem, OR 97301
 (503) 378-4930
 DMD@ost.state.or.us

Oregon Bond Calendar

For Sale Dates from 12/1/2022 to 4/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
February 2023									
PROPOSED									
02/15	Deschutes Cty SD 1 (Bend-La Pine)	Competitive	General Obligation (N) Bonds	2023 \$100,000,000	Capital Projects passed at November 2022 election	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. To Be Determined 2. Hawkins, Delafield & Wood 3. Piper Sandler & Co.
02/23	Multnomah Cty SD 40 (David Douglas)	Negotiated	General Obligation (N) Bonds	2023 \$140,320,000	Capital Costs approved at November 2022 Eleciton	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. None

Negotiated sales may occur any day of the week when the sale date is indicated as a Monday.
 Issues are Listed as 'Proposed' until sale results are reported.

AID = Any Interest Date

Neg = Negotiated Sale

Com = Competitive Sale

Pri = Private Placement Sale

AMT = Subject to Alternative Minimum Tax

BQ = Bank Qualified

TAX = Federally Taxable

ZERO = Zero Coupon or Deferred Interest Bonds

Full Faith & Credit Obligation(N) = Non Self-Supporting - bonds repaid by non-project revenues or paid by property taxes or other tax sources within the limits of the Oregon Constitution, Article XI, Section 11.

Full Faith & Credit Obligation(S) = Self-Supporting - bonds repaid by project revenues or there is an independent source of funds for repayment.

General Obligation(N) = Non Self-Supporting - bonds repaid & secured by ad valorem property taxes levied outside the limits of Article XI 11b.

General Obligation(S) = Self-Supporting - bonds 100% repaid by project revenues, and secured by ad valorem property-taxes.

The purpose categories are defined as follows:

1. Development: industrial development, economic development, non-government office buildings, urban renewal.
2. Education: primary and secondary education, higher education, student loans.
3. Electric power: public power utilities.
4. Environmental Facilities: solid waste disposal, resource recovery, pollution control, recycling.
5. Health Care: hospitals, nursing homes, life-care communities.
6. Housing: single-family and multi-family housing.
7. Public Facilities: government buildings, fire and police stations, jails and prisons, civic and convention centers, museums, libraries, stadiums and sports complexes, theaters, parks, zoos, beaches, other recreation.
8. Transportation: airports, seaports and marine terminals, toll roads, highways and streets, bridges, tunnels, parking facilities, mass transit.
9. Utilities: water and sewer, gas, flood control, sanitation, combined utilities, miscellaneous utilities.
10. General Purpose: general purpose, veterans (other than housing), agriculture, unknown.



Oregon State Treasury
 Debt Management Division
 867 Hawthorne Ave SE
 Salem, OR 97301
 (503) 378-4930
 DMD@ost.state.or.us

Oregon Bond Calendar

For Sale Dates from 12/1/2022 to 4/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
-----------	--------	-----------	-----------	-----------------------	---------	---	----------------------------	------------------------------------	---

TAB 5

GWENDOLYN GRIFFITH
EXECUTIVE DIRECTOR

JESSICA MORGAN
ASSOCIATE EXECUTIVE DIRECTOR

NICK PHAM
EXECUTIVE ASSISTANT



OREGON FACILITIES AUTHORITY
1600 PIONEER TOWER
888 SW FIFTH AVENUE
PORTLAND, OREGON 97204
PHONE: (503) 802-5710
EMAIL: OFA@TONKON.COM

MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwendolyn Griffith

Date: January 3, 2023

Subject: Application by Portland Village Charter School

I have a conflict of interest, as defined in State law, with respect to this transaction. A partner in Tonkon Torp LLP (in which I am a partner) provides legal representation to an entity that may be involved in a transaction with the Portland Village Charter School. As a result, I will not be making a recommendation in this matter. I have been instructed by the Office of the State Treasurer to process this transaction in the usual manner, but to refrain from making any recommendations.

Portland Village Charter School, headquartered in Portland, Oregon (the “Applicant”), timely made an application to the Authority for Traditional Bond financing in an approximate amount of \$9,295,000. It has made arrangements to pay the required application fee separately from its application. The Applicant appears to be a §501(c)(3) organization and the type of organization that qualifies for financing through OFA. The Project also appears to be of the type that qualifies under OFA’s statute and administrative rules. If preliminary approval is granted, Bond Counsel will confirm these assumptions in its diligence process.

This is the Applicant’s first OFA financing. The transaction will be structured as a limited offering to qualified institutional investors. Dr. David Robertson is serving as Financial Advisor to the Applicant. D.A. Davidson is the underwriter.

The Applicant is a nonprofit that provides education to approximately 400 students in grades K-8 under a charter with the Portland Public School system. It operates as a Waldorf School, and its mission is to “advance a public Waldorf education that teaches respect and reverence by developing the head, heart and hands of children from all backgrounds and cultures.”

Memorandum
January 3, 2023
Page 2

The Project is the acquisition and renovation of a facility for the Applicant's activities. Currently, the Applicant leases a facility under a lease that was to terminate on July 1, 2023. The Applicant has negotiated extensions of the lease which will give it some flexibility in vacating the current facility. The Applicant expects to have a purchase and sale agreement finalized in the coming weeks, and has begun the process of engaging contractors for the renovations. It will need approval from the Portland Public School system as well as the City of Portland.

On January 3, 2023, we held a scoping call with the financing team. No unusual issues were identified. The diligence process will be underway shortly. In its application for financing, the Applicant expressed its hope for a March, 2023 date for OFA final approval and a closing in early April. I have advised the Applicant that this is the usual schedule for Traditional Bonds, but that any problems with the documentation or consents/contracts with third parties could cause delay.

The Financial Advisor's Report is included in the materials. Mr. Quinn recommends the transaction for preliminary approval.

Bond Counsel's Report is included in the materials. Mr. Schrader recommends the transaction for preliminary approval.

As noted above, I will not be making a recommendation with respect to this transaction.

If you have any questions, please let me know.

GG/np
034439\00262\14345800v1



Oregon Facilities Authority
Preliminary Financial Advisory Report
Portland Village Charter School
January 3, 2023

1. **Preliminary Findings**

Portland Village Charter School has submitted a Financing Application for tax-exempt bond financing of up to \$9,295,000¹. As financial advisor to the Authority on this matter, we have reviewed the Application and participated in a scoping call on January 3 to learn more about the School and its proposed project and financing. The Application and scoping call provided sufficient information to warrant preliminary approval. However, additional information and analysis will be necessary to support a recommendation for final approval. A discussion of key credit considerations is provided below.

2. **Description of Borrower and Project**

Portland Village Charter School was founded in 2005 and is based in the Portland Public School District, a district which serves approximately 45,000 students in grades K-12. Serving grades K-8, the School has approximately 405 students as of the 2022-23 school year. The School currently leases a property for its operations. The School seeks to acquire its own facilities and to increase enrollment from the current 405 to its 444 student charter limit. The School proposes to acquire an existing 43,000 square foot building located on approximately 1 acre and to renovate to its specific needs. The estimated cost of acquisition and renovation is \$9,500,000. No breakdown has been provided as yet regarding acquisition cost, renovation cost and FF&E. The School advised on the scoping call that it expects to have the property under contract very soon. The School is in the process of retaining an architect to develop plans and specifications for the project. No details have been provided yet regarding the occupancy capacity of the new facility, expected construction timeframe or expected timing for receipt of a construction permit.

3. **Plan of Finance**

The School proposes to fund the cost of the project, a debt service reserve fund, construction period interest and transaction costs with a combination of approximately \$9,295,000 of bonds and \$1,750,000 of equity. The School proposes that the bonds be sold through a direct placement to a single investor or a limited public offering to multiple investors. The bonds are

¹ The School also indicated a potential need for taxable debt financing for costs of issuance over 2%. However that may not be necessary since it proposes to make an equity investment. For purposes of TEFRA approval, we suggest a larger tax-exempt principal amount pending resolution of the optimal amount of equity to commit.

not expected to have a credit rating. The School's underwriter, D.A. Davidson & Co., is an experienced and reputable underwriter of charter school bond issues. The proposed term of the bonds is 30 years with a level annual debt service structure. The lease on the School's current rented facilities expires on July 1, 2023. During the scoping call, the School advised that it has been successful in negotiating up to four quarterly lease extensions in case of a delay in the completion of renovations of the new facility. Nonetheless, because of the risks and logistics of relocating to a new school facility, it will be crucial that the School manage effectively the acquisition and renovation of the new facility. The School and its financial advisor are still working on the specific details of financial projections and a plan of finance with the objective of demonstrating minimum debt service coverage of 1.30x. The School paid \$332,412 in facility rent in FY 2022. That cost would be replaced by annual debt service on the proposed bonds (estimated at \$660,000 on a \$9,295,000 principal amount assuming an interest rate of 6.0%). Assuming that the School can reasonably support such incremental occupancy cost, acquiring its own facility makes business sense.

The School seeks preliminary approval at the January OFA Board meeting and final approval at the March meeting in support of a March sale of bonds with closing in April.

4. Credit Assessment Considerations

The majority of the School's revenues come from State Board of Education funding on a per pupil basis. We note that at FYE 2022, the School had \$1,960,846 in cash and cash equivalents. Assuming the expenditures of \$1,750,000 of those funds for project costs, we would be concerned about whether the School will have adequate liquidity both for purposes of operations and the feasibility of the sale of the bonds. We look forward to discussing those matters with the School and its financial advisor and underwriter.

We will be requesting the following additional documents, information and analysis in order to conduct a thorough credit assessment for our final report:

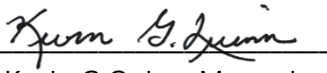
- School's management prepared financial statements for Q1 & 2, FY 2023
- FY 2023 Budget
- Information regarding funding sources other than per pupil allotment from the Oregon Department of Education
- School Charter Agreement
- Assessments of School by its authorizer (School District 1J, Multnomah County (Portland Public Schools)) over the past three years including prospects for charter renewal
- Purchase & Sale Agreement for new property
- New property appraisal (if any) and Phase 1 Environmental Report
- Lease of existing location and confirmation of extension term options to occupancy date of project
- Detailed plan of finance

- Pro-forma cash flow analysis (covering three years of historic activity and five years of projections), including enrollment level breakeven analysis (at 1.0x DSC) and liquidity stress test analysis
- Demographic data for Portland Public School District and basis for expected growth in School enrollment (i.e. demand data)
- Proposed bond financial covenants

5. Summary

Portland Village Charter School appears to be a moderately successful institution which has progressed to the point where owning and operating its own facilities is deemed prudent and necessary by its leadership. It proposes to finance approximately 85% of the cost of its project with debt and the balance with School equity. With a relatively modest level of liquidity, good execution of project development and continued growth in enrollment will be important to the School's ability to sustainably support the payment of debt service on the proposed bonds. We look forward to examining the requested information and analysis described above and communicating with the School's management, financial advisor and underwriter to learn more about the project, plan of finance and financial projections.

Respectfully submitted by First Tryon Advisors (dba Wye River Group)

By: 
Kevin G Quinn, Managing Director



SUITE 200
PORTLAND, OREGON 97209

WWW.ORRICK.COM

MEMORANDUM

TO: Members of the Oregon Facilities Authority
Gwendolyn Griffith, Executive Director

FROM: Michael Schrader and Tommy Sandstrom

DATE: January 4, 2023

RE: Preliminary Approval of Portland Village School Application for Bond Financing through the Oregon Facilities Authority

Overview of Bonds.

Portland Village School, an Oregon nonprofit corporation and a charter school operating pursuant to a charter with School District No. 1J, Multnomah County, Oregon (Portland Public Schools) (the “Borrower” and the “District,” respectively), is requesting preliminary approval from the Oregon Facilities Authority (the “Authority”) for the issuance of both tax-exempt and federally taxable revenue bonds, in an aggregate principal amount to be determined, but in no event to exceed \$12,000,000 (the “Bonds”). Bond proceeds are expected to be used for the purpose of (i) financing all or a portion of the costs of acquiring land and a building that will provide a permanent home to the Borrower and then renovating and improving the property to serve as school facilities for the Borrower, (ii) funding a debt service reserve fund, if required, (iii) paying capitalized interest, if necessary, and (iv) paying costs of issuing the Bonds (collectively, the “Project”).

The Bonds are expected to be issued in one or more series of tax-exempt bonds and a series of federally taxable bonds. The taxable bonds will be issued to cover costs of issuance (“COI”) in excess of the two-percent COI limit on use of the tax-exempt bonds and any other Project costs that may not be permitted to be paid from tax-exempt bonds. The Bonds are expected to be sold through a negotiated limited public offering by D.A. Davidson & Co., as underwriter (the “Underwriter”). The Bonds will not be rated and will only be marketed and sold to qualified institutional investors, consistent with the requirements of OFA’s administrative rules. The Borrower currently expects to finance all or most of the costs of the Project with proceeds of the Bonds, though the Borrower has significant cash reserves and may elect to contribute a portion of such funds as equity into the Project.

The Bonds will be secured by a pledge of the Borrower’s payments from the District, together with a mortgage lien and security interest granted on the school facilities being acquired, improved, renovated and equipped with proceeds of the Bonds.

An initial working group call was conducted on January 3rd and we expect to participate on weekly working group calls with the Borrower and its counsel and financial advisor, the Underwriter and its counsel, and other members of the working group to coordinate on documents, diligence review and various other tasks related to the Project and the financing. Diligence requests are in process and are being coordinated with other counsel, and we expect to begin drafting the Trust Indenture, Loan Agreement, Limited Offering Memorandum and other documents (the “Bond Documents”) following preliminary approval of the Project at the January 9th Authority meeting. We expect that all due diligence and final documentation will be completed in advance of consideration of final approval of the Bonds at either the Authority’s March 13th or April 10th meeting.

Discussion of Open Issues and Next Steps.

It is expected that the financing for this Project will have a similar security structure to those utilized in the financings completed through the Authority for other Oregon charter schools, including the ACE Charter School, Metro East Web Academy, Howard Street Charter School, the Arco Iris Spanish Immersion School and the Redmond Proficiency Academy projects. The Project will directly benefit from the work done in those financings, including particularly the charter contract amendments required from the District to provide for the intercept of funds from the District to secure scheduled debt service payments on the Bonds. Additionally, given our established OFA precedent for unrated, limited offerings to institutional investors financing Oregon charter schools, we do not expect any significant issues in working through initial offering conditions or subsequent transfer restrictions to ensure that the Bonds are offered, sold and held at all times by qualified institutional investors.

With respect to the Project, we would note that the financing of the Project and agreements related to the acquisition and improvement of the facilities are proceeding on parallel tracks and on an accelerated timeline, with the Purchase & Sale Agreement for the Borrower’s acquisition of the land and building being negotiated, and the scope of the improvements and related contracts to be negotiated and entered into at or about the same time as the offering memo and other bond documents are being completed. This will require coordination of tasks and timeline with respect to the Bond offering to ensure appropriate sequencing of Project deliverables, including required permits and approvals.

In our role as bond counsel and disclosure counsel to the Authority, we expect to perform both a tax and general due diligence review of the Borrower and the Project. If our review reveals any material concerns with respect to the Borrower or the Bond-financed Project, including issues with respect to the Borrower’s tax-exempt status, we will inform the Authority.

Recommendation.

As bond counsel to the Authority, we recommend the Board grant preliminary approval of the Application submitted by the Borrower. The ultimate issuance of the Bonds will remain subject to several conditions precedent, including without limitation, completion of our due diligence review and completion of the Bond Documents and any other required legal documents. We would be happy to answer any questions members of the Authority may have with respect to the proposed financing.

**STATE OF OREGON
OREGON FACILITIES AUTHORITY**

**RESOLUTION NO. 2023-1
ADOPTED: JANUARY 9, 2023**

A RESOLUTION OF THE OREGON FACILITIES AUTHORITY RECOMMENDING THAT THE STATE TREASURER ISSUE REVENUE BONDS TO FINANCE THE PROJECT DESCRIBED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT BY AND BETWEEN THE AUTHORITY AND THE PARTICIPATING INSTITUTION; AND AUTHORIZING AND DETERMINING OTHER MATTERS WITH RESPECT THERETO.

WHEREAS, the Oregon Facilities Authority, a body politic and corporate duly created and existing under the laws of the State of Oregon (the “Authority”) is authorized and empowered by the provisions of Oregon Revised Statutes Chapter 289, as amended (the “Act”), to recommend to the State Treasurer the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith; and

WHEREAS, Portland Village School, an Oregon nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Participating Institution”), has filed with the Authority an application requesting the issuance of revenue bonds for the purpose of financing all or a portion of the costs of the acquisition, renovation and equipping of certain school facilities for the Participating Institution (collectively, the “Project”); and such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor; and

WHEREAS, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue one or more series of tax-exempt and federally taxable revenue bonds (the “Bonds”) under the Act, with the tax-exempt bonds issued in the approximate aggregate principal amount of \$9,295,000 and a to-be-determined aggregate principal amount of federally taxable bonds to be issued, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project, and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund, if required, and paying capitalized interest, if necessary; and

WHEREAS, the Participating Institution, the other parties to the transactions pertaining to the issuance and sale of the Bonds, and the Authority’s bond counsel are preparing drafts of the basic documents needed in connection therewith, and are ready to conduct required due diligence,

to complete documentation required in connection with the financing of the Project and to proceed expeditiously with the issuance and sale of the Bonds.

NOW, THEREFORE, be it resolved by the members of the Authority as follows:

SECTION 1. ELIGIBILITY. The Authority, based upon the advice of its bond counsel, hereby finds and determines that the Project qualifies as a “project” within the meaning of the Act. The Authority further finds and determines that the financing of the Project by means of revenue bonds issued by the State Treasurer pursuant to the Act will promote the public purposes sought to be advanced by the Act.

SECTION 2. RECOMMENDATION TO ISSUE BONDS. Contingent upon the concurrence of the Executive Director and the Director, Debt Management Division of the State Treasurer, the Authority hereby recommends that the State Treasurer express his intent to issue the Bonds under the Act in the aggregate principal amount not to exceed \$12,000,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund, if required, and paying capitalized interest, if necessary, *provided, however*, that:

(i) prior to the issuance of any Bonds for the purpose of financing the Project and paying the related costs associated therewith, the Authority and the State Treasurer shall have been advised by the Authority’s bond counsel that all legal requirements for the issuance and sale of such Bonds have been satisfied;

(ii) in the event that any Bonds are issued for the purpose of financing the Project and paying the related costs associated therewith, such Bonds shall be payable solely and only from the specific properties and revenues pledged thereto and shall not constitute a debt of the State of Oregon or a lending of the credit of the State of Oregon within the meaning of any constitutional or statutory limitation or a charge upon any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto, and no holder of any such Bonds shall have the right to enforce the payment of any amounts owing under or with respect to such Bonds out of any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto; and

(iii) the Authority shall retain at all times complete and absolute discretion whether to proceed with the issuance of any Bonds for the purpose of financing the Project and paying the related costs associated therewith, and may refuse to proceed therewith for any reason deemed sufficient by the Authority notwithstanding that all legal requirements for the issuance of such Bonds may have been satisfied.

SECTION 3. PRELIMINARY AGREEMENT; AUTHORIZATION. The form of Preliminary Agreement attached hereto as Exhibit A is hereby approved. The Executive Director of the Authority is hereby authorized, empowered and directed, for and on behalf of the Authority, to execute and deliver such Preliminary Agreement in substantially the form approved but with such variations, changes, omissions and insertions as may be necessary or appropriate and not inconsistent with the provisions of applicable law and to execute such other documents and

instruments as shall be necessary or advisable for the purpose of furthering the actions described in Section 2 hereof.

SECTION 4. APPOINTMENT OF ATTORNEY-IN-FACT; DISCLOSURE COUNSEL. The Authority's bond counsel, the law firm of Orrick, Herrington & Sutcliffe LLP, Portland, Oregon, is hereby appointed the Authority's attorney-in-fact for the purpose of applying for any rulings from the Internal Revenue Service that may be required in connection with the bonds described herein and for filing, signing and taking any other actions on behalf of the Authority in connection with any such ruling request. Orrick, Herrington & Sutcliffe LLP is also appointed as disclosure counsel to the Authority for the purpose of assisting the Authority with respect to compliance with its disclosure obligations under applicable federal and state securities law.

SECTION 5. EFFECTIVENESS; CONFLICTING RESOLUTIONS. This Resolution shall be effective immediately upon its adoption. Any resolutions of the Authority and parts thereof which are in conflict with the terms of this Resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

[Signature follows next page]

CERTIFICATION OF RESOLUTION

The undersigned does hereby certify that I am the duly appointed, qualified and acting Executive Director of the Oregon Facilities Authority; that the foregoing is a true and complete copy of Resolution No. 2023-1 as adopted by said Authority at a meeting duly called and held in accordance with law on January 9, 2023; and that the following members of the Authority voted in favor of said Resolution:

the following members of the Authority voted against said Resolution:

and the following members of the Authority abstained from voting on said Resolution:

In witness whereof, the undersigned has hereunto set her hand as of this 9th day of January 2023.

Gwendolyn Griffith, Executive Director

EXHIBIT A

PRELIMINARY AGREEMENT

BETWEEN

PORTLAND VILLAGE SCHOOL

AND

OREGON FACILITIES AUTHORITY

THIS PRELIMINARY AGREEMENT is entered into as of the 9th day of January 2023 by and between the **OREGON FACILITIES AUTHORITY**, a public body corporate and politic duly created and existing under the laws of the State of Oregon (the “Authority”), and **PORTLAND VILLAGE SCHOOL**, an Oregon nonprofit corporation (the “Participating Institution”).

WHEREAS, the Authority is authorized and empowered by the provisions of Oregon Revised Statutes (“ORS”) Chapters 286A and 289, as amended (the “Act”), to recommend to the State Treasurer the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith; and

WHEREAS, the Participating Institution has filed with the Authority an application requesting the issuance of revenue bonds for the purpose of financing all or a portion of the costs of the acquisition, renovation and equipping of certain school facilities for the Participating Institution (collectively, the “Project”); and such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor; and

WHEREAS, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue one or more series of tax-exempt and federally taxable revenue bonds (the “Bonds”) under the Act, with the tax-exempt bonds issued in the approximate aggregate principal amount of \$9,295,000 and a to-be-determined aggregate principal amount of federally taxable bonds to be issued, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund, if required, and paying capitalized interest, if necessary; and

WHEREAS, the Authority has adopted a resolution pursuant to which it has recommended that the State Treasurer issue the Bonds under the Act for the purposes as described above; and

WHEREAS, the State Treasurer has indicated in writing his intent to issue the Bonds under the Act for the purposes described above;

NOW, THEREFORE, for and in consideration of the premises and the mutual undertakings of the parties as set forth herein, the Authority and the Participating Institution hereby agree as follows:

SECTION 1. RECOMMENDATION OF THE AUTHORITY. By Resolution No. 2023-__ adopted on January 9, 2023 (the “Resolution”), the Authority has recommended that the State Treasurer issue the Bonds under the Act in the aggregate principal amount not to exceed \$12,000,000, and to loan the proceeds of such Bonds to the Participating Institution for the purposes described in the Resolution. Such recommendation remains subject to the terms hereof and upon satisfaction by the Participating Institution of all conditions stated herein and all other conditions imposed on the Participating Institution by the Authority prior to issuance of the Bonds and upon compliance with all requirements of applicable law, including without limitation, the following conditions and understandings:

(i) **COMPLIANCE WITH APPLICABLE LAW.** Prior to the issuance of any Bonds, the Authority and the State Treasurer shall have been advised by the Authority’s bond counsel that all legal requirements for the sale of such Bonds have been fully satisfied. If bond counsel advises the Authority that all legal requirements have not been complied with or that the financing and payment of associated costs contemplated by the Participating Institution deviates in any material respect from the financing proposed in the application of the Participating Institution, the Authority may require the Participating Institution to take further actions prior to the issuance of the Bonds, including resubmitting an updated application and seeking an additional approval of the Authority.

(ii) **BONDS ARE LIMITED OBLIGATIONS.** In the event that any Bonds are issued, such Bonds shall be payable solely and only from the specific properties and revenues pledged thereto and shall not constitute a debt of the State of Oregon or a lending of the credit of the State of Oregon within the meaning of any constitutional or statutory limitation or a charge upon any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto, and no holder of any such Bond shall have the right to enforce the payment of any amounts owing under or with respect to such Bonds out of any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto. The Participating Institution understands that any loan agreement, amendment, supplement or other agreement to be entered into in connection with the Bond financing will provide that amounts payable thereunder by the Participating Institution will be sufficient to pay the principal of and the interest on, and redemption premium, if any, of the Bonds as and when the same become due and payable.

(iii) **DISCRETION TO DETERMINE WHETHER TO PROCEED.** The Authority and the State Treasurer shall each retain at all times complete and absolute discretion as to whether or not to proceed with the issuance of the Bonds, and each may refuse to proceed therewith for any reason deemed by either to be sufficient notwithstanding that all legal requirements for the issuance of such Bonds may have been met and satisfied.

SECTION 2. UNDERTAKINGS ON THE PART OF THE PARTICIPATING INSTITUTION. The Participating Institution agrees as follows:

(A) **COMPLETION OF FINANCING.** If Bonds are issued as requested by the Participating Institution as described above, it is the intent of the Participating Institution to diligently cause the financing of the Project contemplated hereby to be completed and to cause the Project to be operated in the manner and for the purposes disclosed to the Authority in the Participating Institution's application for financing. If the Bond proceeds are not sufficient to complete the Project, including the funding of any debt service reserve deemed to be necessary and desirable, and to pay costs of issuance of the Bonds, the Participating Institution agrees to cause the financing, the funding of any reserve and the payment of costs of issuance to be completed at the Participating Institution's expense. The Authority makes no representation or warranty that the proceeds of the Bonds will be sufficient to accomplish the financing, the funding of any debt service reserve and the payment of costs of issuance of the Bonds as planned by the Participating Institution, and the Participating Institution hereby acknowledges and agrees that it assumes all risks associated with such potential insufficiency.

(B) **COOPERATION WITH THE AUTHORITY AND TREASURER.** The Participating Institution will cooperate with the State Treasurer, the Executive Director of the Authority, the Authority's bond counsel and the Authority's financial advisor in all matters relating to the issuance, sale and delivery of the Bonds and the financing of the Project from the proceeds thereof; provided, however, that nothing herein shall obligate the Participating Institution to cause the Bonds to be issued.

(C) **ARRANGEMENTS FOR SALE OF THE BONDS.** The Participating Institution acknowledges and agrees that it shall have sole responsibility for arranging for the sale of the Bonds, and acknowledges that under the Act the State Treasurer has the ultimate authority to approve and remove any underwriter for the Bonds.

(D) **EXECUTION AND DELIVERY OF LOAN AGREEMENT:** At the time of issuance of any Bonds, the Participating Institution will deliver an executed loan agreement or other financing agreement with the State Treasurer (acting as issuer of the Bonds on behalf of the State), under which terms the Participating Institution will agree to pay the loan payments sufficient in the aggregate principal of and interest on, and redemption premium, if any, of the Bonds as and when the same shall become due and payable. The loan agreement or other financing agreement shall contain a provision that the Participating Institution shall indemnify and hold the Authority and the State of Oregon harmless from all liabilities incurred in connection with the financing and the offering or sale of the Bonds.

(E) **FURTHER ACTIONS.** The Participating Institution will take such further action and adopt such further proceedings as may be required to implement the terms and provisions of this Preliminary Agreement. The Participating Institution shall obtain all necessary governmental approvals and opinions of bond counsel to ensure the legality of the Bonds and the exclusion of interest on the Bonds issued on a tax-exempt basis from gross income for federal income tax purposes. In addition, the Participating Institution shall make no use of the proceeds of the Bonds issued on a tax-exempt basis so as to cause

such Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(F) **REIMBURSEMENT FOR EXPENSES.** Regardless of whether the Bonds are issued, the Participating Institution will reimburse the Authority and the State Treasurer for all reasonable and necessary direct and indirect expenses incurred in connection with the consideration and processing of the application for bond financing and the preparation of the Bonds for issuance, which expenses shall be itemized on an invoice sent by the Authority to the Participating Institution and paid within 30 days of the date of such invoice. If any Bonds are issued, the Participating Institution will pay, or cause to be paid, to the Authority its usual and customary fees according to Authority policy (as the same may be modified from time to time), its issuance fee and any annual fee.

(G) **FEES AND EXPENSES OF BOND COUNSEL AND FINANCIAL ADVISOR.** The Participating Institution hereby agrees to pay the fees and expenses of Orrick, Herrington & Sutcliffe LLP, bond counsel and disclosure counsel (hereinafter “bond counsel”) to the Authority, and of First Tryon Advisors, LLC d/b/a Wye River Group, financial advisor to the Authority, for professional services rendered in connection with the issuance, sale and delivery of any Bonds. The Participating Institution acknowledges that the fees and expenses of bond counsel and the financial advisor shall be as set forth in the respective contracts of said firms entered into with the Authority and the State Treasurer, subject to such modifications as may have been agreed upon in writing by bond counsel or the financial advisor, as appropriate. The fees and expenses of bond counsel and the financial advisor shall be paid at the time of the issuance and delivery of any Bonds; *provided, however,* that with respect to any expenses which it is not practicable for bond counsel or the financial advisor to compile and itemize at such time, such expenses shall be paid within thirty (30) days from the date of any invoice therefor; and *provided further,* that if the Participating Institution abandons or otherwise fails to complete the financing contemplated hereby within six months from the date of adoption of the Authority resolution referred to in the preamble hereto, the Participating Institution shall pay all fees and expenses incurred by said bond counsel or said financial advisor in connection therewith, which fees and expenses shall be itemized on an invoice sent to the Participating Institution and paid within thirty (30) days of the date of such invoice.

(H) **INDEMNITY AND HOLD HARMLESS AGREEMENT.** The Participating Institution hereby agrees to indemnify and hold the State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees (the “Indemnified Parties”) harmless against and from any and all claims, of whatever nature and howsoever arising, by or on behalf of any person, firm, corporation or other legal entity arising from the execution of this Preliminary Agreement or any other actions taken or omitted to be taken by any of the Indemnified Parties or the Participating Institution relating in any way to the Project or the offering, issuance, sale or remarketing of the Bonds or any transaction related to the foregoing, including without limitation any claim or liability arising from or in connection with:

- (i) any condition of the Project or the construction thereof;

(ii) any breach or default on the part of the Participating Institution in the performance of any of its obligations under this Preliminary Agreement or any other agreement entered into in connection with the Bonds or the Project;

(iii) any act or negligence of the Participating Institution or of any of its agents, contractors, servants, employees or licensees;

(iv) any act or negligence of any assignee or lessee of the Participating Institution, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Participating Institution;

(v) any material misstatement or omission, or alleged material misstatement or omission, made or omitted in any disclosure materials used in connection with the offering or sale of the Bonds or any other information used in connection with the offering, placement, sale, remarketing or purchase of any Bond (other than a material misstatement or omission contained in information provided by an Indemnified Party specifically for inclusion in disclosure materials relating to the Bonds).

The Participating Institution shall indemnify and save the Indemnified Parties harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from the Indemnified Party, the Participating Institution shall, subject to ORS Chapter 180 (or any successor provision of law), defend it in any such action or proceeding at the Participating Institution's expense, and shall pay all attorney's fees and expenses of the Indemnified Parties incurred in connection therewith at trial, on appeal or otherwise related to the claim for which indemnification is provided hereunder, and against all other liabilities arising from the issuance of the Bonds on behalf of the Participating Institution and any fees and costs incurred by the Indemnified Parties in responding to any U.S. Department of the Treasury Internal Revenue Service (the "IRS") audit, U.S. Securities and Exchange Commission (the "SEC") inquiry or any Federal, State or regulatory action or proceeding with respect to the Bonds or the Project. The Authority and the State Treasurer may employ, at the Participating Institution's expense, any legal counsel or experts required in responding to any IRS audit, SEC inquiry or any other Federal, State or regulatory action or proceeding with respect to the Bonds or the Project. The foregoing indemnification and hold harmless agreement shall be and remain in full force and effect notwithstanding the failure or refusal, for any reason, of the Authority or the State Treasurer to proceed with the issuance of the Bonds. Notwithstanding anything to the contrary contained herein, the Participating Institution shall have no liability to indemnify the Indemnified Parties against claims or damages resulting from the Indemnified Parties' own willful misconduct.

SECTION 3. MISCELLANEOUS. The State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees, and Orrick, Herrington & Sutcliffe LLP and First Tryon Advisors, LLC d/b/a Wye River Group, and each of them individually, shall be third party beneficiaries of this agreement with respect to payment of their respective fees, with the right to enforce the provisions of this agreement directly and individually and without joining any other beneficiary hereof.

This agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

This agreement shall be binding upon the parties hereto and their respective successors and assigns.

This agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Participating Institution have caused this Preliminary Agreement to be executed and delivered by their duly authorized officers or representatives as of the date first set forth above.

OREGON FACILITIES AUTHORITY

By: _____

Gwendolyn Griffith, Executive Director

**PORTLAND VILLAGE SCHOOL, AS
PARTICIPATING INSTITUTION**

By: _____

Printed: _____

Title: _____

034439\00262\14351639v1