

Oregon Facilities Authority
Minutes of Meeting of
November 9, 2020

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on November 9, 2020, commencing at approximately 1:00 p.m. The physical location of the meeting was at 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 Eric Johansen (in person), Vice-Chair Kevin McAuliffe, and Authority Members Sean Hubert, Roy Kim, Beth deHamel, and Andrea Trenner.

Participating in the meeting to assist the Authority (via Zoom, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority (in person); Duncan Brown of PFM, Financial Advisor to the Authority; Carol McCoog of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Jacqueline Knights, Lee Helgerson, and Laura Worth of the Office of the State Treasurer ("OST"); and Senior Assistant Attorney General Sam Zeiglar, Oregon Department of Justice ("DOJ").

Chair Eric Johansen called the meeting to order and presented the notice of meeting. He introduced Ms. Jacqueline Knights as the new Director of Debt Management. Mr. Johansen also welcomed prospective Board Member Erika Patton.

Consideration of Preliminary Approval for the application by Oregon Episcopal School for an OFA Traditional Bond in an approximate amount of \$18,500,000.

Ms. Gretchen Reed, CFO, appeared on behalf of the Applicant. Ms. Natasha Walth, of First Republic Bank, appeared to assist the Applicant with the presentation.

Ms. Reed presented the mission, vision and goals of Oregon Episcopal School. The Applicant serves students K-12 and is in its 151st year of operation. Its mission is to prepare children for higher education and lifelong learning, and to inspire individuals to realize their power for good as citizens of local and world communities. The Applicant is a major employer, with 240 regular employees, and a total payroll of over 400 people each year. Ms. Reed presented the Project, which includes a refinancing of the loan taken out to acquire property located at 7295 SW Ridgemont, refinancing of the Applicant's 2015 OFA Bonds, and the retirement of a SWAP.

The Applicant's presentation materials are available upon request.

Ms. Walth presented the terms of the financing. The loan will be a direct placement with First Republic Bank. Series A will have a 15-year amortization period with an expected 2.35% interest rate. Series B will have a 30-year amortization period with an expected 2.6% interest rate. There will be an additional \$5 million revolving credit line if needed, but this is not part of the OFA financing.

A discussion of the SWAP portion of the transaction ensued. The Applicant is considering retiring the SWAP, at a cost of approximately \$2 million. Ms. McCoog informed the Board that the legal question is whether OFA-financed bond proceeds can be used to retire the SWAP, which is a tax question that requires further analysis. The Applicant's choice as to whether to retire the SWAP will depend in part on Bond Counsel's conclusion. Several Board Members observed that retirement of the SWAP at this time creates a significant financial burden for the Applicant.

The Financial Advisor's report is included in the materials. Mr. Brown reported that the Applicant has financed through OFA before, and is familiar with tax-exempt financing and OFA's procedures. The Applicant conducted an RFP from Banks before selecting First Republic Bank. This transaction does not represent a large new borrowing. Mr. Brown observed that the SWAP is LIBOR-based, and with LIBOR being phased out, this increases the risk to the Applicant. Mr. Brown recommended the transaction for preliminary approval.

Bond Counsel's report is included in the materials. Ms. McCoog reported that she and Ms. Cordova participated in the scoping call. Bond Counsel will perform the usual diligence with respect to the Applicant and will analyze the SWAP termination. Ms. McCoog recommended the transaction for preliminary approval.

The Executive Director's report is included in the materials. Ms. Griffith welcomed the Applicant back to OFA. She informed the Board that if preliminary approval were given, the Applicant would return in January for final approval. Ms. Griffith recommended the transaction for preliminary approval.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2020-9, granting Preliminary Approval to the Oregon Episcopal School for an OFA Traditional Bond in an approximate amount of \$18,500,000. Mr. Hubert seconded the motion. Resolution 2020-9 was unanimously approved.

Approval of Minutes

The Minutes of the meeting of July 13, 2020, were unanimously approved.

Executive Director Reports

Ms. Griffith asked Ms. McCoog to report on the loan modification requests made by Banks as a result of COVID-19. Ms. McCoog reported on the process that is being used for these modifications and the types of changes she is seeing. Ms. Griffith then welcomed Mr. Kevin Quinn of Wye River Group as the Financial Advisor to OFA/OST, to serve when PFM is concurrently assisting an Applicant.

Ms. Griffith directed the Board's attention to the Bonding Report and General Report, both of which were included with 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 2:00 p.m.

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

/s/ Gwendolyn Griffith
Gwendolyn Griffith, Executive Director
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