

**Oregon Facilities Authority
Minutes of Meeting of
April 26, 2021**

A duly called special meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on April 26, 2021, commencing at approximately 10:30 a.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, Vice-Chair Roy Kim, and Authority Members Kevin McAuliffe, Andrea Trenner, and Erika Patton.

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; Doug Goe, Michael Schrader, Greg Blonde, and Steven White of Orrick Herrington and Sutcliffe LLP, Lead Bond Counsel; 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.

Consideration of Conditional Final Approval for the application by Willamette University for an OFA Traditional Bond in an amount not to exceed \$115,000,000.

Mr. Daniel Valles, Chief Operating Officer, Mr. Ken Pifer, Controller, and Ms. Megan Mannenbach, Senior Budget Analyst, appeared on behalf of the Applicant. Mr. AJ Prager, of Prager & Co., LLC, financial advisor to the Applicant, appeared to assist with the presentation.

Mr. Valles reviewed the history and mission of the Applicant. Willamette University is located in Salem, Oregon and offers a four-year undergraduate program and two graduate schools. In September 2020, Willamette and the Pacific Northwest College of Art ("PNCA") announced plans to merge, significantly increasing Willamette's physical and programmatic footprint in Portland and the range of art offerings to all students. Mr. Valles discussed the benefits of the merger and the University's strategic vision for this merger and its other new and expanding programs.

Mr. Prager described the current financing structure, which is a retail public offering. He directed the Board's attention to his memorandum, included in the agenda book, which describes the changes in the transaction since the application. The memorandum also provides a current sources/uses chart. The transaction size has been decreased to just under \$90 million from the original \$105 million. This

transaction will include the refinancing of the two privately placed series of OFA debt in 2016, along with the 2010A series of OFA bonds. An additional \$52 million in new money will be issued for a variety of purposes, including new money projects, the refunding of debt associated with the PNCA merger, and costs of issuance. There will be two Series of 2021 bonds. The 2021 Series A bonds will be in the approximate amount of \$80 million, including an original issue premium and the 2021 Series B bonds will be in the approximate amount of \$15 million with no premium. The Series A will be federally tax-exempt, and the Series B will be taxable. Mr. Prager reminded the Board of the rating from S&P of BBB and the University's plan to obtain a second investment grade rating from Moody's, expected by the week of May 3.

Mr. Valles thanked the Authority for the opportunity to present Willamette University's request for conditional final approval. The Applicant's presentation materials are available upon request.

The Financial Advisor's report is included in the materials. Mr. Brown reported that he has been working closely with the financing team for the past few months. He described the refunding and new money portions of the transaction. It is not structured for NPV savings, but instead for covenant relief and to replace the existing bank on the current bank placement portion of the bonds with publicly issued bonds. He described the S&P rating at BBB and the Applicant's plan to obtain a Moody's rating as well. All business terms appear to be final. Mr. Brown noted that the Applicant has an independent financial advisor. Mr. Brown recommended the transaction for conditional final approval.

Bond Counsel's report is included in the materials. Mr. Goe and Mr. Blonde reviewed the structure of the bonds. Mr. Goe summarized the tax analysis, currently underway, to determine how much of refunding could be issued in tax-exempt form. The University will make that final decision in the next week or so. Mr. Blond reported that the bond documents were in substantially final form, except for the allocation between taxable and tax-exempt debt. Mr. Goe explained the conditions on the conditional final approval, which include the procurement of either bond insurance to secure the bond, or a second investment grade rating. As always with a conditional final approval, OST, OFA and Bond Counsel must agree that all conditions have been met prior to closing. Mr. Goe and Mr. Blonde recommended the transaction for conditional final approval.

The Executive Director's report is included in the materials. Ms. Griffith welcomed Willamette University back to OFA for its seventh transaction, and thanked the financing team for their hard work. Ms. Griffith recommended the transaction for conditional final approval.

After discussion, Mr. Kim moved that the Authority adopt Resolution 2021-5, granting Conditional Final Approval to Willamette University for an OFA Traditional Bond in an amount not to exceed \$115,000,000, with

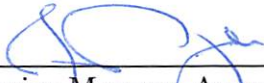
specific conditions to include the Applicant either obtaining bond insurance or procuring a second investment grade rating, and recommending that the State Treasurer consider issuing the Bonds when the conditions have been met. Mr. McAuliffe seconded the motion. Resolution 2021-5 was unanimously approved.

The Chair asked for public comment. There was none.

There being no further business to come before the Authority, the meeting adjourned at approximately 11:30 a.m.



Eric H. Johansen, Chair



Jessica Morgan, Associate Executive Director
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