

Oregon Facilities Authority
Minutes of Meeting of
September 13, 2021

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on September 13, 2021, 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, Vice-Chair Roy Kim, and Authority Members Kevin McAuliffe, Sean Hubert, and Kathleen Cornett.

Participating in the meeting to assist the Authority (via Zoom, unless otherwise indicated) were: Jessica Morgan, Associate Executive Director of the Authority; Carol McCoog of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel; Doug Goe, of Orrick Herrington and Sutcliffe LLP, Lead Bond Counsel; Duncan Brown of PFM, 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 Eric Johansen called the meeting to order and presented the notice of meeting.

Consideration of Conditional Final Approval for the application by Willamette Community Health Solutions dba Cascade Health for an OFA SNAP Loan in an amount not to exceed \$7,877,865.33.

Mr. Eric T. Van Houten, Chief Executive Officer, and Linda Fleck, CPA, appeared on behalf of the Applicant. The Applicant's presentation materials are available upon request.

Mr. Van Houten presented on the history of the Applicant and the scope of services provided to the community. The Applicant provides community health services throughout Lane County and is funded primarily through fee-for-service and insurance reimbursement. Their mission is to improve the quality of life in their community through compassionate healthcare. The Applicant entered into a SNAP Bond in 2012 for the acquisition of its primary facility in Eugene. In 2015, the Applicant entered into a second SNAP Bond for construction of its Hospice House in Eugene which began its operations in 2017. Umpqua Bank was the lender for both SNAP Bonds, and is also the Sponsoring Bank for the proposed project.

Mr. Van Houten presented on the project and the plan of financing. The loan proceeds of this offering will be used to refinance the 2012 and 2015 OFA SNAP Bonds plus a portion of the costs of issuance. The Applicant intends to cover a

portion of the costs of issuance through an equity contribution. The financing will be structured as a loan with a 15-year term and amortization, with an interest rate reset at year 10.

The Financial Advisor's report is included in the materials. Mr. Brown reported on his meeting with the Applicant in mid-August and that the application as submitted was consistent with their conversation. The Applicant and the transaction appear to meet the requirements for a SNAP Loan. Mr. Brown recommended the transaction for conditional final approval.

SNAP Counsel's report is included in the materials. Ms. McCoog reported that she and Ms. Cordova identified no unusual issues during the scoping call held prior to the meeting. Ms. McCoog confirmed that they will perform the usual due diligence with respect to the Applicant and the Project. Ms. McCoog recommended the transaction for conditional final approval.

Ms. Morgan explained she has a conflict of interest because the law firm in which she is a partner provides legal representation to the Sponsoring Bank unrelated to this financing. As a result, she did not provide any recommendation relating to this transaction.

Ms. Laura Worth, on behalf of OST, recommended the transaction for conditional final approval.

After discussion, Mr. Kim moved that the Authority adopt Resolution 2021-7, granting Conditional Final Approval to Willamette Community Health Solutions dba Cascade Health for an OFA SNAP Loan in an amount not to exceed \$7,877,865.33, and recommending that the State Treasurer consider closing the transaction when the conditions have been met. Mr. McAuliffe seconded the motion. Resolution 2021-7 was unanimously approved.

Consideration of Preliminary Approval for the application by Western Valley Waldorf Association dba Cedarwood Waldorf School for an OFA SNAP Loan in an approximate amount of \$2,700,000.

Ms. Sue Levine, Head of School, and Mr. David Nolfi, Finance Director, appeared on behalf of the Applicant. Mr. Darwin Parker and Mr. Doug Rich of Banner Bank, the Sponsoring Bank, appeared to assist with the Application. The Applicant's presentation materials are available upon request.

Ms. Levine and Mr. Nolfi presented on the history of the Applicant and the scope of services provided to the community. Founded in 1997, the Applicant's mission is to inspire children of diverse background to become lifelong, independent learners. The Applicant is a pre-k through 8 charter school serving 260 students. The Applicant entered into a SNAP Bond in 2011 which was used to rehabilitate the

Applicant's annex and is currently outstanding in the approximate amount of \$1.9 million. The project will in-part refinance a bridge loan with Banner Bank that was used to refinance the Applicant's 2011 SNAP Loan. The remainder of the 2021 Loan would be used to rehabilitate the adjacent property, currently owned by the Applicant, which will accommodate a childcare facility for 2-3 year olds.

Mr. Parker presented on the project and the plan of financing. The financing will be structured as a loan with a 10-year loan amortized over 25-years at a fixed rate of 2.75% over the life of the loan. The loan will include a draw-down period of 12 months with the initial amortization based on amount drawn at closing. The Bank will provide a revised amortization after the draw down period based on the principal amount drawn down after closing.

The Financial Advisor's report is included in the materials. Mr. Brown reported on his meeting with the Applicant in mid-August and that the application as submitted was consistent with their conversation. Mr. Brown noted that the Applicant and the transaction appear to meet the requirements for a SNAP Loan. Mr. Brown recommended the transaction for preliminary approval.

SNAP Counsel's report is included in the materials. Ms. McCoog reported that she and Ms. Cordova identified no unusual issues during the scoping call held prior to the meeting. Ms. McCoog confirmed that they will perform the usual due diligence with respect to the Applicant and the Project. Ms. McCoog recommended the transaction for preliminary approval.

Ms. Laura Worth, on behalf of OST, commented on the need to confirm no private use issues with respect to child-care activities but recommended the transaction for preliminary approval.

The Associate Executive Director's report is included in the materials. Ms. Morgan welcomed the Applicant back to OFA. Ms. Morgan recommended the transaction for preliminary approval.

After discussion, Mr. Kim moved that the Authority adopt Resolution 2021-8, granting Preliminary Approval to Western Valley Waldorf Association dba Cedarwood Waldorf School for an OFA SNAP Loan in an approximate amount of \$2,700,000. Mr. Hubert seconded the motion. Resolution 2021-8 was unanimously approved.

Consideration of Preliminary Approval for the application by Community Partners for Affordable Housing for an OFA SNAP Loan in an approximate amount of \$5,000,000.

Ms. Rachael Duke, Executive Director, Ms. Jilian Saurage Felton, Housing Director, and Mr. Geoffrey Taylor, Associate Housing Director, appeared on behalf of the Applicant. Ms. Kathy Swift and Ms. Judy Silke of Heritage Bank NW, the

Sponsoring Bank, appeared to assist with the Application. The Applicant's presentation materials are available upon request.

Ms. Duke and Ms. Saurage presented on the history of the Applicant and the scope of services provided to the community. The Applicant creates and maintains affordable housing and related services for diverse residents including families, seniors and people with disabilities. It has been in operating since 1993, and currently owns and manages 10 multi-family buildings and 4 single-family homes representing nearly 500 units.

Mr. Swift presented on the project and plan of financing. The underlying project is the refinancing of the existing taxable bridge loan, which was initially funded by Heritage Bank, and associated with two facility locations each held in wholly subsidiary entities: Village at Washington Square and Greenburg Oaks. The loan will be structured with a 25-year amortization, with interest rate resets at years 10 and 20.

The Financial Advisor's report is included in the materials. Mr. Brown reported on his meeting with the Applicant in early September and that the application as submitted was consistent with their conversation. Mr. Brown reported that while the Applicant is a first time OFA Borrower, they are experienced financiers. The Applicant and the transaction appear to meet the requirements for a SNAP Loan. Mr. Brown recommended the transaction for preliminary approval.

SNAP Counsel's report is included in the materials. Ms. McCoog reported that while the due diligence process is complex, the Applicants are well aware of the information they need to gather and have already begun this work. Ms. McCoog recommended the transaction for preliminary approval.

Ms. Laura Worth, on behalf of OST, recommended the transaction for preliminary approval.

The Associate Executive Director's report is included in the materials. Ms. Morgan welcomed the Applicant to OFA. She reported a scoping call was held on August 20, 2021, and that while the financing is complex, the Applicant and Sponsoring Bank are experienced and they expect a smooth transaction. Ms. Morgan recommended the transaction for preliminary approval.

After discussion, Mr. Kim moved that the Authority adopt Resolution 2021-9, granting Preliminary Approval to Community Partnerships for Affordable Housing for an OFA SNAP Loan in an approximate amount of \$5,000,000. Mr. Hubert seconded the motion. Resolution 2021-9 was unanimously approved.

Consideration of Preliminary Approval for the application by Mercy Flights Incorporated for an OFA SNAP Loan in an approximate amount of \$3,800,000.

Ms. Sheila Clough, Chief Executive Officer, Ms. Renee Schroyer, Chief Financial Officer, appeared on behalf of the Applicant. Mr. Andy Shaer of Columbia Bank, the Sponsoring Bank, appeared to assist with the Application. The Applicant's presentation materials are available upon request.

Ms. Clough presented on the history of the Applicant and the scope of services provided to the community. The Applicant provides air and land transportation for ill and injured persons to medical centers and health care facilities, transports medical supplies, provides lifesaving transport to individuals unable to pay, and provides disaster relief assistance to Southern Oregon and Northern California surrounding areas.

Mr. Schroyer presented on the project and the plan of financing. The proceeds of the SNAP Loan will be used to purchase and provide upgrades to a new helicopter enabling increased emergency response capabilities. The loan will be structured with a 10-year term and amortization period. Interest will be fixed for five years at 2.00%, after which it will reset for the remaining five years of the loan.

The Financial Advisor's report is included in the materials. Mr. Brown reported on his meeting with the Applicant in March and that the application as submitted was generally consistent with their conversation. The Applicant and the transaction appear to meet the requirements for a SNAP Loan. Mr. Brown recommended the transaction for preliminary approval.

Ms. McCoog reported that she and Ms. Cordova identified no unusual issues during the scoping call held prior to the meeting. Ms. McCoog confirmed that they will perform the usual due diligence with respect to the Applicant and the Project. Ms. McCoog recommended the transaction for preliminary approval.

Ms. Laura Worth, on behalf of OST, recommended the transaction for preliminary approval.

The Associate Executive Director's report is included in the materials. Ms. Morgan welcomed the Applicant to OFA and noted the interesting structure of the transaction to do equipment financing. Ms. Morgan recommended the transaction for preliminary approval.

After discussion, Mr. Kim moved that the Authority adopt Resolution 2021-10, granting Preliminary Approval to Mercy Flights Incorporated for an OFA SNAP Loan in an approximate amount of \$3,800,000. Mr. McAuliffe seconded the motion. Resolution 2021-10 was unanimously approved.

Approval of Minutes

The Minutes of the meeting of August 9, 2021 was unanimously approved.

Associate Executive Director Reports

Ms. Morgan directed the Board's attention to the Bonding Report and General Report, both of which were included with the materials.

Other Business

The Chair commented on his involvement in crafting a letter to Senator Wyden and Representative Blumenauer regarding the reinstatement of tax-exempt advance refundings and increase in bank qualification limits among other things. The letters were submitted by the Chair with the support of the OFA Board.

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 3:20 p.m.

Eric H. Johansen

Eric H. Johansen, Chair

Jessica Morgan

Jessica Morgan, Associate Executive Director

034439\00001\12822437v4