

Oregon Facilities Authority
Minutes of Meeting of
March 14, 2022

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on March 14, 2022, 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 Roy Kim, Vice-Chair Andrea Trenner, and Authority Members Kevin McAuliffe, Sean Hubert, Eric Johansen, and Kathleen Cornett.

Participating in the meeting to assist the Authority (via Zoom, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority, Nick Pham, Executive Assistant to the Authority, Doug Goe, Michael Schrader, and Greg Blonde of Orrick Herrington and Sutcliffe LLP, Lead Bond Counsel; Duncan Brown and Maggie Marshall of PFM, Financial Advisor to the Authority; Laura Worth of the Office of the State Treasurer ("OST"); and Senior Assistant Attorney General Sam Zeigler, Oregon Department of Justice ("DOJ").

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

Consideration of Preliminary Approval for the application by Legacy Health for an OFA Traditional Bond in an approximate amount of \$300,000,000.

Ms. Anna Loomis, Senior Vice President and CFO, and Ms. Jennifer New, Director of Treasury, appeared on behalf of the Applicant. Ms. Holly Houston of Ponder & Co., appeared to assist with the Application. The Applicant's presentation materials are available upon request.

Ms. Loomis described the mission and core values of Legacy Health. Ms. New discussed the scope of the project. The bond proceeds will be used for new money projects at two medical centers, for general purposes such as redemption of an outstanding bank loan, and refinancing the Applicant's 2008 Bonds, which were originally issued through the Clackamas Hospital Facility Authority. Of particular interest to OFA: this issuance will allow Legacy to complete the tower at Emmanuel Hospital, its flagship campus. The tower was part of the Legacy 2016 financing and will house (among other programs) the Legacy Oregon Burn Center, which provides state-of-the-art burn treatment for adults and children. Legacy has the only burn center between Seattle and Sacramento.

Ms. Houston presented the details of the plan of financing, reporting that much of the debt will be tax-exempt, and some will be issued as taxable debt.

The Financial Advisor's report is included in the materials. Mr. Brown reported that Legacy is rated A1 (Moody's) and A+ (S&P), both will be "stable" ratings. He recommended the transaction for preliminary approval.

Bond Counsel's report is included in the materials. Mr. Blonde reported that the financing team has held a number of calls and key documents have been circulated for review. Mr. Blonde recommended the transaction for preliminary approval.

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

After discussion, Ms. Trenner moved that the Authority adopt Resolution 2022-1, granting Preliminary Approval to Legacy Health, for an OFA Traditional Bond in an approximate amount of \$300,000,000. Mr. Hubert seconded the motion. Resolution 2022-1 was unanimously approved.

Consideration of Preliminary Approval for the application by Clackamas Charter Alliance dba Clackamas Middle College for an OFA Traditional Bond in an approximate amount of \$4,000,000.

Mr. Brian Sien, Principal, and Ms. Carla Culley, Project Coordinator, appeared on behalf of the Applicant. Mr. Nick Hagen of Piper Sandler & Co., appeared to assist with the Application. The Applicant's presentation materials are available upon request. The Applicant noted that its current request is for \$3,000,000.

Mr. Sien described the mission and history of Clackamas Middle College. The Applicant is a charter school in Happy Valley, Oregon that enrolls 300 students in grades 9 through 12. Mr Sien explained the approach of the School, which provides a variety of pathways to college for high school students. It has a 96% graduation rate. The bond proceeds will be used to acquire the Applicant's current (leased) facility and finance debt service reserves, if required

Mr. Hagen reported the bond will be a limited placement with a small number of qualified institutional investors, and the Applicant will not seek a rating for the bonds. Mr. Hagen explained a portion of the debt will likely be issued on a taxable basis.

The Financial Advisor's report is included in the materials. Mr. Brown commented that this transaction will likely be more straightforward than some charter school transactions because no increase in the number of students is required for debt service coverage. The School currently occupies the facility, so this should provide savings as compared to the current lease payments. There will likely be a debt service reserve fund. The ground lease is currently being negotiated. Mr. Brown recommended the transaction for preliminary approval.

Bond Counsel's report is included in the materials. Mr. Schrader reported that this transaction will be similar to other charter school transactions that OFA has financed, and will require a familiar charter amendment and the usual due diligence. Mr. Schrader recommended the transaction for preliminary approval.

Ms. Griffith's report is included in the materials. Ms. Griffith recommended the transaction for preliminary approval.

After discussion, Ms. Trenner moved that the Authority adopt Resolution 2022-2, granting Preliminary Approval to Clackamas Charter Alliance dba Clackamas Middle College, for an OFA Traditional Bond in an approximate amount of \$3,000,000. Mr. McAuliffe seconded the motion. Resolution 2022-2 was unanimously approved.

Presentation of conflicts of interest

Assistant Attorney General, Sam Zeigler made a presentation on conflicts of interest. Board members who have any concerns about conflicts of interest should contact Ms. Griffith.

Approval of Minutes

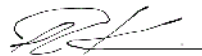
The Minutes of the meeting of December 13, 2021, were unanimously approved.

Associate Executive Director Reports

Ms. Griffith directed the Board's attention to the Bonding Report and General Report, both of which were included with the materials. She reported that her offices were reopening in April. After discussion, the sense of the Board was to hold the April meeting via zoom and begin a hybrid approach starting in May.

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 3:08 p.m.



Roy Kim, Chair



Gwendolyn Griffith, Executive Director

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