

SUMMARY AGENDA
OREGON FACILITIES AUTHORITY
Business Meeting
January 8, 2024
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)

<u>Tab</u>	<u>Item</u>	<u>Action Required</u>
1	Approval of Minutes of Meetings of October 16, 2023 and November 13, 2023	Yes
2	Executive Director's Reports <i>Bonding Report</i> <i>General Report</i> <i>Other Matters</i>	No
3	Oregon Bond Calendar and Other Items <i>Update on Pre-Development Loans for Workforce Housing</i> <i>Election of Board Officers</i>	Yes
<i>Brief Recess</i>		
4	Consideration of Final Approval for the application by YMCA of the Columbia-Willamette for an OFA Traditional Bond in the aggregate principal amount of not to exceed \$6,060,000	Yes
5	Consideration of Final Approval for the application by Waterfall Clinic, Inc., dba Waterfall Community Health Center for an OFA SNAP Loan in a maximum principal amount of \$3,311,950	Yes
6	Consideration of Preliminary Approval for the application by St. Vincent de Paul for an OFA SNAP Loan in the approximate principal amount of \$3,100,000	Yes
7	Consideration of Preliminary Approval for the application by Portland Village School for an OFA Traditional Bond in the approximate aggregate principal amount of \$20,485,000, in both taxable and nontaxable series	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

To attend by video conference:

888 SW Fifth Avenue, Suite 1600
 Portland, OR 97204
 Ph: (503) 802-5710, Fax: (503) 972-7410 ·
<http://oregonfacilities.org/>

<https://tonkon.zoom.us/j/92356562039?pwd=OGtMRTJmQU55OWVTeFMvMzdDS2dPUT09>

Meeting ID: 923 5656 2039

Passcode: 026188

**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: 923 5656 2039; Passcode: 026188

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 8, 2024
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>
1.	Approval of Minutes of Meetings of October 16, 2023 and November 13, 2023	12:05 – 12:10
2.	Executive Director’s Reports <i>Bonding Report</i> <i>General Report</i> <i>Other Matters</i>	12:10 – 12:30
3.	Oregon Bond Calendar and Other Items <i>Update on Pre-Development Loans for Workforce Housing</i> <i>Election of Board Officers</i>	12:30 – 12:55

Meeting recess to change rooms

4.	Consideration of Final Approval for the application by YMCA of the Columbia-Willamette for an OFA Traditional Bond in the aggregate principal amount of not to exceed \$6,060,000	1:05 – 1:45
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Applicant:	Mr. Tyler Wright, President/CEO, and Ms. Jennifer Hurder, VP of Finance
Purchasing Bank:	Mr. Marc Stasioski, Mr. Jedidiah Womack and Mr. John H. Self, Wells Fargo
OFA Financial Advisor:	Mr. Kevin Quinn, First Tryon Advisors LLC
Bond Counsel:	Ms. Carol McCoog, Hawkins, Delafield & Wood LLP
OFA Associate Executive Director:	Mr. Mick Harris

Possible action: *Approval of Resolution 2024-01, granting Final Approval to YMCA of the Columbia-Willamette for Traditional Bond in the aggregate principal amount of not to exceed \$6,060,000*

5.	Consideration of Final Approval for the application by Waterfall Clinic, Inc., dba Waterfall Community Health Center for an OFA SNAP Loan in a maximum principal amount of \$3,311,950	1:45 – 2:15
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Applicant:	Ms. Jamie Burrows, Controller
Sponsoring Bank:	Ms. Sammie Arzie, Banner Bank
SNAP Loan Counsel:	Ms. Carol McCoog, Hawkins, Delafield & Wood LLP
OFA Financial Advisor:	Mr. Kevin Quinn, First Tryon Advisors LLC
OFA Associate Executive Director:	Mr. Mick Harris

Possible action: *Approval of Resolution 2024-02, granting Final Approval to Waterfall Clinic, Inc., dba Waterfall Community Health Center for an OFA SNAP Loan in a maximum principal amount of \$3,311,950*

- 6. Consideration of Preliminary Approval for the application by St. Vincent de Paul for an OFA SNAP Loan in the approximate principal amount of \$3,100,000** **2:15 – 2:45**

We will hear from:

Applicant: Brent Heller, Business Development Director, and
Kristen Karle, Housing Development Director
Sponsoring Bank: Patty Schulz, Banner Bank
SNAP Loan Counsel: Mr. Kevin Quinn, First Tryon Advisors LLC
OFA Financial Advisor: Ms. Carol McCoog, Hawkins, Delafield & Wood LLP
OFA Associate Executive Director: Mr. Mick Harris

Possible action: *Approval of Resolution 2024-03, granting Preliminary Approval to St. Vincent de Paul for an OFA SNAP Loan in the approximate principal amount of \$3,100,000*

- 7. Consideration of Preliminary Approval for the application by Portland Village School for a Traditional Bond in the approximate aggregate principal amount of \$20,485,000, in both taxable and nontaxable series** **2:45 – 3:00**

We will hear from:

Applicant: Dr. Jenni Stackhouse, CEO; Doug Miller, CFO; David
Robertson, Lewis Young Robertson & Burningham
Underwriter: Matt DeAngelis, D.A. Davidson & Co
Bond Counsel: Mr. Michael Schrader, Orrick Herrington & Sutcliffe
LLP
OFA Financial Advisor: Mr. Kevin Quinn, First Tryon Advisors LLC
OFA Associate Executive Director: Mr. Mick Harris

Possible action: *Approval of Resolution 2024-04, granting Preliminary Approval to Portland Village School for an OFA Traditional Bond in the approximate aggregate principal amount of \$20,485,000, in both taxable and nontaxable series*

Public Comment: No Action Required
Other Matters for the Authority: No Action Required

To attend by video conference:

<https://tonkon.zoom.us/j/92356562039?pwd=OGtMRTJmQU55OWVTeFMvMzdDS2dPUT09>

Meeting ID: 923 5656 2039
Passcode: 026188

**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: 923 5656 2039; Passcode: 026188

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TAB 1

Oregon Facilities Authority
Minutes of Meeting of
October 16, 2023

A duly called meeting of the Oregon Facilities Authority (“OFA” or the “Authority”) was held on October 16, 2023, commencing at approximately 12:00 p.m. The physical location of the meeting was 888 SW Fifth Avenue, Suite 1600, Portland, Oregon. The meeting was also held by Zoom teleconference.

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

Participating in the meeting to assist the Authority (via Zoom, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director, Oregon Facilities Authority; Mick Harris (in person), Associate Executive Director, Oregon Facilities Authority; Steven White, and Michael Schrader, of Orrick Herrington and Sutcliffe LLP, Lead Bond Counsel; Jennifer Cordova, of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel; Kevin Quinn of First Tryon Advisors, Financial Advisor to the Authority; Kottur Vasanth, of the Office of the State Treasurer; and Senior Assistant Attorney General Sam Zeigler, Oregon Department of Justice.

Vice Chair Andrea Zamora called the meeting to order and presented the notice of meeting.

Approval of Minutes

The Minutes of the meetings of August 14, 2023 and September 11, 2023, were unanimously approved.

Executive Director Report

The Board’s attention was directed to the Bonding Report, which was included in the Agenda Book. Ms. Cordova reported on the closing of the Centurion Foundation transaction. Mr. Quinn and Mr. Schrader provided an update on the status of the City View Charter School transaction. Mr. Harris provided an update on recent SNAP Loan Program inquiries.

Ms. Griffith directed the Board’s attention to the General Report, which was included in the Agenda Book. Ms. Griffith presented the Budget Report. She discussed plans for a holding a Board meeting and conducting information sessions outside of Portland in the near future. Ms. Griffith briefly discussed the 2024

NAHEFFA conference. After discussion, the Board agreed to: (i) send a Board member to the 2024 NAHEFFA conference; and (ii) approve the budget as presented in the Budget Report. The Budget Report is available upon request.

The Board took a brief recess and reconvened at approximately 1:00 p.m. Mr. Johansen was unable to join the reconvened meeting. Ms. Zamora asked if there were any conflicts of interest to declare and declared her own conflict of interest in the Waterfall Clinic application resulting from her employment at Waterfall Clinic.

Consideration of Preliminary Approval for the application by YMCA of the Columbia-Willamette for an OFA Traditional Bond in an amount not to exceed \$7,100,000.

Mr. Tyler Wright (in person), President and CEO, and Ms. Jennifer Hurder (in person), VP of Finance, appeared on behalf of the Applicant. Mr. Jedidiah Womack and Mr. Marc Stasiowski of Wells Fargo, the Purchasing Bank, appeared to assist with the presentation. The Applicant's slide deck is available upon request.

Mr. Wright and Ms. Hurder provided information regarding the Applicant's history and explained that the Applicant provides services related to affordable housing, education, economic development, and job training. They explained that the Project consists of three components: (i) the acquisition and improvement of the Sherwood Regional Family YMCA facility in Sherwood, Oregon; (ii) improvements to the Beaverton Family & Southeast Family YMCA Facility in Beaverton, Oregon; and (iii) the refinancing of a debt obligation in connection with the YMCA Camp Collins facility in Gresham, Oregon.

Mr. Wright discussed the plan of finance, which will be an approximate \$7,100,000 tax-exempt limited offering. The Bank anticipates funding a portion of the loan as a drawdown structure, with funds being disbursed to the Borrower over a nine-month draw period. The loan will have a fixed rate of seven years with a 20-year amortization period and a final bond maturity of up to 30 years. The annual fixed interest rate is 5.19%.

Bond Counsel's report is included in the materials. Ms. Cordova reported that the financing team had held a scoping call that she attended, and the transaction is consistent with the plan described at the meeting. Hawkins will conduct the usual diligence for legal issues (including any tax issues) and will work with the financing team to create the documentation. Ms. Cordova recommended the transaction for preliminary approval.

The Financial Advisor's report is included in the materials. Mr. Quinn reported that he had attended the initial financing team call, participated in a follow-up call with the Borrower and the Purchasing Bank, and reviewed the application. His

understanding of the transaction is consistent with the plan described at the meeting. Mr. Quinn recommended the transaction for preliminary approval.

The Associate Executive Director's report is included in the materials. Mr. Harris welcomed the Applicant to OFA and noted that Wells Fargo has been involved in OFA financings previously. He reported on the Application in his memorandum to the Board, and recommended the transaction for preliminary approval.

Mr. Vasanth had no comments on the transaction, and offered no objections on behalf of the Treasury.

After discussion, Ms. Zamora moved that the Authority adopt Resolution 2023-13, granting Preliminary Approval to YMCA of the Columbia-Willamette, for an OFA Traditional Bond in an amount not to exceed \$7,100,000. Ms. Cornett seconded the motion, and Resolution 2023-13 was unanimously approved.

Consideration of Preliminary Approval for the application by Waterfall Clinic, Inc., dba Waterfall Community Health Center for an OFA SNAP Loan in an approximate amount of \$3,500,000.

Ms. Zamora recused herself from the Board's consideration of the transaction, citing a conflict of interest. Mr. Hubert agreed to serve as presiding officer for the remainder of the meeting.

Ms. Jamie Burrows, Controller, appeared on behalf of the Applicant. Ms. Sammie Arzie and Mr. Maik Aagaard of Banner Bank, the Sponsoring Bank, appeared to assist with the presentation. Ms. Zamora did not participate in this portion of the meeting. The Applicant's slide deck is available upon request. Ms. Burrows explained the Project, which is the purchase of a new facility at 1300 N. Broadway St. in Coos Bay, Oregon to serve as an expansion of the Applicant's Behavioral Health Center, which currently employs four psychiatric providers and four mental health providers.

Ms. Arzie and Mr. Aagaard presented the financing plan. Banner Bank is offering a \$5.8 million loan with a 25-year amortization period and a 10-year term. The estimated SNAP Loan interest rate is 5.66%. The total cost of the project will be \$5.8 million. Because a portion of the building that Waterfall intends to occupy will be used by a for-profit entity, \$2.3 million of the total financing will be taxable and the \$3.5 million of tax-exempt SNAP financing will apply to the portion of the property occupied by Waterfall. The Applicant plans to contribute \$1.2 million of equity.

The Financial Advisor's report is included in the materials. Mr. Quinn reported that he had met with the Borrower team and reviewed the application. His understanding of the transaction is consistent with the plan described at the meeting. Mr. Quinn recommended the transaction for preliminary approval.

SNAP Loan Counsel's report is included in the materials. Ms. Cordova reported that the financing team had held a scoping call that she and Ms. McCoog attended, and the transaction is consistent with the plan described at the meeting. Hawkins will conduct the usual diligence for legal issues (including any tax issues) and will work with the financing team to create the documentation. Ms. Cordova recommended the transaction for preliminary approval.

The Associate Executive Director's report is included in the materials. Hr. Harris welcomed the Applicant to OFA and discussed the use of funds, emphasizing the opportunity to solidify the Clinic's place in the community, as well as the need for expanded mental health services. Mr. Harris recommended the transaction for preliminary approval.

Mr. Vasanth had no comments on the transaction, and offered no objections on behalf of the Treasury.

After discussion, Ms. Cornett moved that the Authority adopt Resolution 2023-14, granting Preliminary Approval to Waterfall Clinic, Inc. for an OFA SNAP Loan in an approximate amount of \$3,500,000. Mr. Petersen seconded the motion, and Resolution 2023-14 was unanimously approved, with Ms. Zamora abstaining from the vote.

There being no public comments or further business to come before the Authority, the meeting was adjourned at approximately 2:40 p.m.

Andrea Zamora, Vice Chair

Gwendolyn Griffith, Executive Director

Sean Hubert, Acting Vice Chair for a portion of the meeting

Oregon Facilities Authority
Minutes of Meeting of
November 13, 2023

A duly called meeting of the Oregon Facilities Authority (“OFA” or the “Authority”) was held on November 13, 2023, commencing at approximately 1:00 p.m. The meeting was held by Zoom teleconference.

Authority Members participating in the meeting were: Chair Roy Kim, Authority Members Kathleen Cornett, Eric Johansen, Erika Patton, Erick Petersen, and Sean Hubert.

Participating in the meeting to assist the Authority were: Gwendolyn Griffith, Executive Director, Oregon Facilities Authority; Mick Harris, Associate Executive Director, Oregon Facilities Authority; Michael Schrader, Steven White, and Alexandra Bartos-O’Neill, of Orrick, Herrington & Sutcliffe LLP, Lead Bond Counsel; Kevin Quinn, of First Tryon Advisors, Financial Advisor to the Authority; Kottur Vasanth, of the Office of the State Treasurer; and Senior Assistant Attorney General Sam Zeigler, of the Oregon Department of Justice.

Mr. Kim called the meeting to order and presented the notice of meeting.

Consideration of Final Approval for the application by City View Charter School for an OFA Traditional Bond in an amount not to exceed \$20,000,000.

Ms. Melissa Stark, Board President, Nicole Kopacz, Executive Director, David Robertson, Financial Advisor, and Courtney Dausz, Counsel, appeared on behalf of the Applicant. Nick Hagen, Managing Director of Charter Schools, appeared on behalf of the placement agent, Piper Sandler. Sarah Sanchez, Vice President and Relationship Manager, appeared on behalf of UMB Bank. Nathan Vallette, Director of Educational Investments, Mahneesh Jhunjunwala, Managing Director of the Social Impact Group, and James Broeking, Counsel, appeared on behalf of the underwriter, EcoFin. The Applicant’s slide deck is available upon request.

Mr. Robertson provided information regarding the Applicant’s financing process and the addition of the replacement underwriter, EcoFin. Mr. Vallette and Mr. Jhunjunwala introduced EcoFin to the Authority and described its history, emphasizing EcoFin’s experience assisting borrowers with tax-exempt financings. Mr. Robertson reported that the bond will be amortized at a 30-year, eight percent interest rate, with a five-year put/call mechanic. He emphasized that the structure of the transaction should motivate the school to refinance the bond at the three-year mark, as allowed by the financing agreements.

The Authority Members discussed the mechanics of the proposed financing, including, but not limited to, the put/call mechanics of the proposed financing and potential refinancing options.

The Financial Advisor's report is included in the materials. Mr. Quinn reported on the school's need to renovate the facility, the need to increase enrollment to make the debt payments, and the expectation that this bond financing will be refinanced. Mr. Quinn noted that EcoFin has significant experience providing financing for charter schools and acknowledged that EcoFin is not motivated to place undue pressure on the borrower if issues arise servicing the loan, as EcoFin is not regulated like a commercial bank. Mr. Quinn recommended the transaction for final approval.

Bond Counsel's report is included in the materials. Mr. Schrader reported that the bonds are structured to include both a tax-exempt and taxable series, due to the presence of third-party tenants in the building. He explained that the offering includes requirements for the bond buyers to be qualified institutional buyers and supported the request to waive OFA's administrative rule requirements to allow transfer among accounts of sophisticated investors rather than institutional investors, so long as the bonds are retained within the EcoFin investment system. He underscored that mechanisms are in place in the bond agreement to reclaim the bond if it is transferred outside of the EcoFin investment system. Mr. Schrader recommended the transaction for final approval.

Mr. Kim inquired whether Treasury had any questions for the Applicant. Mr. Vasanth had no comments on the transaction, and offered no objections on behalf of the Treasury.

Mr. Schrader and Mr. Quinn briefly discussed the implications of the transaction lacking a traditional offering document, explaining that this should not create additional risk to the investor as the bondholder representative is sophisticated. They further explained that the lack of offering document and the investment structure itself should reduce the likelihood of the bonds being transferred to a less ideal investor.

Ms. Griffith's report is included in the materials. Ms. Griffith remarked on the terms of the financing and the persistence and diligence of all those involved. She acknowledged the critical due diligence process that preceded the final approval process and recommended the transaction for final approval.

After discussion, Mr. Petersen moved that the Authority adopt Resolution 2023-15, granting Final Approval to City View Charter School for an OFA Traditional Bond in an amount not to exceed \$20,000,000. Resolution 2023-15 was unanimously approved.

There being no public comments or further business to come before the Authority, the meeting was adjourned at approximately 2:20 pm.

Roy Kim, Chair

Gwendolyn Griffith, Executive Director

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 8, 2024

Subject: Executive Director's Bonding Report as of December 31, 2023

REPORT ON PENDING APPLICATIONS

<u>Applicant/Type</u>	<u>Amount Requested</u>
Clackamas Middle College (T)	\$ 4,000,000
St. Vincent de Paul (SNAP)	\$ 3,100,000
Waterfall Clinic (SNAP)	\$ 3,500,000
YMCA of the Columbia-Willamette (T)	\$ 7,100,000
Portland Village Charter School (T)	\$ 20,485,000

STATUS OF BONDING AUTHORITY – 2023-2025 Biennium

Summary of 2023-2025 Biennium Financing:

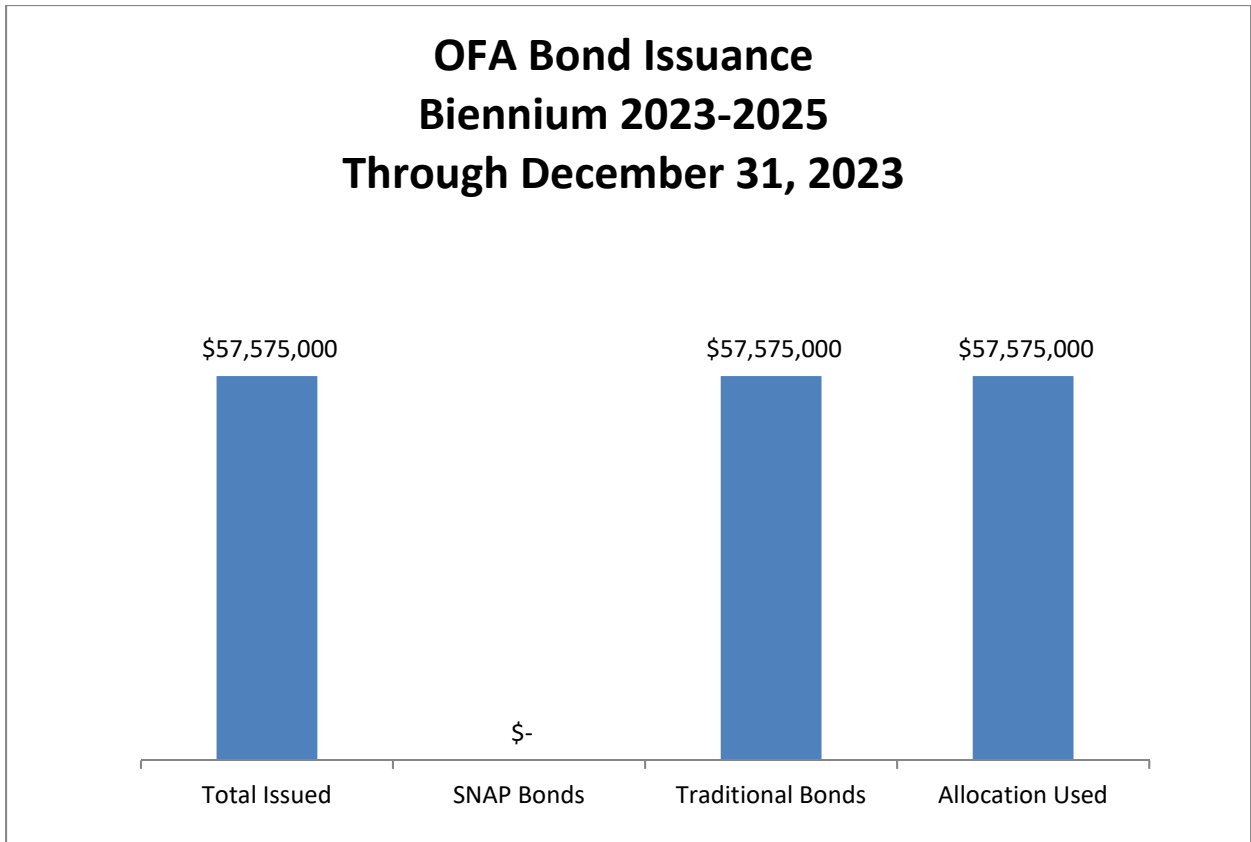
Total Authorized by Legislature	\$1,000,000,000.00
Total Utilized	- <u>57,575,000.00</u>
<i>Unused Balance</i>	\$ 942,425,000.00

BIENNIUM ALLOCATION—ANNUAL SESSIONS: For the 2023-2025 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 2023-2025

Nonprofit Organization	Issued Amount	Allocation Used
City View Charter School	\$ 19,575,000	\$ 19,575,000
Centurion Foundation, Inc.	\$ 38,000,000	\$ 38,000,000
Total:	\$ 57,575,000	\$ 57,575,000



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OREGON FACILITIES AUTHORITY

Gwendolyn Griffith
Executive Director

MEMORANDUM

To: Roy Kim, Chair
Andrea Zamora, 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, 2024

Subject: Executive Director’s General Report

First of all, *Happy New Year!* I’m looking forward to a wonderful 2024 at OFA, helping many nonprofits access low-cost loans to finance capital projects. Many thanks to all of you for your excellent work last year on behalf of OFA!

Transactions

Closed Transactions:	City View Charter School (T)
Pending Transactions:	Clackamas Middle College (T) Waterfall Clinic (S) YMCA of the Columbia-Willamette (T)
New Applications:	St. Vincent de Paul (S) Portland Village Charter School (T)*

*Mr. Schrader will report on the closing of the City View Charter School transaction and why Portland Village Charter School has moved from being a “pending transaction” to “new application” status.

Middle Income Housing Loans Project

I will report on the status of this project at the meeting.

Marketing

OFA has updated its website and moved to a different platform. Please review at <https://oregonfacilities.org/> and direct your questions, comments, or concerns to Mick Harris at ofa.mick@tonkon.com.

It's time to schedule out of town meetings. As you may recall, we discussed having four out of town meetings. Here are the proposed dates (these may change, depending on location availability):

Info Session	Salem	(March 19)
Board Mtg & Info Session	Eugene	(April 16)
Info Session	Medford	(May 13)
Info Session	Astoria	(June 3)

Board Members are welcome at all Info Sessions; in fact, Board Members are very helpful in helping connect OFA with the nonprofits that join us for the meeting. We will be working on locations in which to hold these meetings and doing outreach to organizations and people in these cities. **If you have contacts that we should include, please let Theresa DeGrandpre know:** ofa.theresa@tonkon.com

Financial

Attached to this report are financial statements for September, October & November, 2023. Here is a snapshot of results for these months of the fiscal year. Highlighted sections = new information.

Month 2023-24	End of Month Cash Balance	Month's Actual Results (Favorable) or Unfavorable to YTD Budget	Bond Transactions Closed
November	\$648,868.65	(\$6,411.50)	0
October	\$646,223.65	(\$2,779.06)	1
Sept	\$677,445.58	\$9,082.04	0
August	\$671,528.04	(\$846.36)	0
July	\$690,721.05	(\$8,445.46)	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.

Attachments:

- o OFA Income and Expense Reports for September, October and November, 2023.

TAB 3



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 12/1/2023 to 4/30/2024

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 2023									
SOLD									
12/07	Oregon Facilities Authority City View Charter School	Privately Placed	Conduit Revenue Bonds	2023A \$18,110,000	New Building Acquisition	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	12/15/2053	23.07 Fixed 8%	1. Other 2. Orrick, Herrington & Sutcliffe 3. Lewis Young Robertson & Burningham
12/07	Oregon Facilities Authority City View Charter School	Privately Placed	Conduit Revenue Bonds	2023B \$1,465,000	New Building Acquisition	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input checked="" type="checkbox"/> ZERO <input type="checkbox"/>	12/15/2053	24.15 Fixed 12%	1. Other 2. Orrick, Herrington & Sutcliffe 3. Lewis Young Robertson & Burningham
12/08	Washington County Housing Authority HAWC AHP Phase II Limited Partnership	Privately Placed	Conduit Revenue Bonds	2023A \$65,000,000	AHP Phase II Portfolio Rehab Projects	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	04/08/2043	0.00	1. JP Morgan Chase Bank 2. Orrick, Herrington & Sutcliffe 3. None
12/11	Oregon Business Development Department PANAG, LLC	Privately Placed	Conduit Revenue Bonds	255-A \$5,050,000	PANAG, LLC has requested an amount not to exceed \$7,500,000 in tax exempt bond financing, to acquire commercial real estate located at 6501 NE Croeli Road, Hillsboro, OR 97123	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	12/01/2053	30.00 Fixed 5.43%	1. Other 2. Other 3. Other
12/11	Oregon Business Development Department PANAG, LLC	Privately Placed	Conduit Revenue Bonds	255-B \$2,450,000	PANAG, LLC has requested an amount not to exceed \$7,500,000 in tax exempt bond financing, to acquire commercial real estate located at 6501 NE Croeli Road, Hillsboro, OR 97123	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	12/01/2053	30.00 Fixed 7.27%	1. Other 2. Other 3. Other
12/15	Oregon Housing & Community Services Department Gresham 710 Limited Partnership	Privately Placed	Conduit Revenue Bonds	2023P-1 \$21,500,000	Terracina Vista Apartments Project	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	01/01/2058	0.00	1. Capital One 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
12/15	Oregon Housing & Community Services Department Gresham 710 Limited Partnership	Privately Placed	Conduit Revenue Bonds	2023P-2 \$1,500,000	Terracina Vista Apartments Project	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input checked="" type="checkbox"/> ZERO <input type="checkbox"/>	01/01/2028	0.00	1. Capital One 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.



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 12/1/2023 to 4/30/2024

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
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January 2024

PROPOSED

01/17	Hillsboro Urban Renewal Agency	Negotiated	Revenue Bonds	2024 \$81,885,000	Finance projects in North Hillsboro Industrial Renewal Area	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input checked="" type="checkbox"/> ZERO <input type="checkbox"/>			1. D.A. Davidson & Co. 2. Hawkins, Delafield & Wood 3. Piper Sandler & Co.
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February 2024

PROPOSED

02/22	City Of Molalla	Negotiated	General Obligation (N) Bonds	2024 \$16,000,000	New Police Station Facilities	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. D.A. Davidson & Co. 2. Hawkins, Delafield & Wood 3. None
02/28	Marion Cty SD 45 (St Paul)	Negotiated	General Obligation (N) Bonds	2024 \$3,000,000	Finance projects approved at the November 2023 election.	AMT <input type="checkbox"/> BQ <input checked="" 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.



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 12/1/2023 to 4/30/2024

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
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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.

TAB 4

**Oregon Facilities Authority
Final Financial Advisory Report
YMCA of Columbia-Willamette Project
January 3, 2024**

1. Findings

This Report has been prepared for consideration by the Board of the Oregon Facilities Authority of final approval of a tax-exempt bond financing (the “Series 2024A Bond” or the “Bond”) for the Young Men’s Christian Association of Columbia-Willamette (the “Applicant”). The amount of the Series 2024A Bond is up to \$6,060,000. The proceeds of the Bond will be used in combination with Applicant equity to refinance outstanding debt, to finance the acquisition and improvement of a property that is currently leased, as well as to finance improvements to existing owned facilities. The Bond is to be sold directly to Wells Fargo Bank, N.A. (the “Lender”). Based on our review of the finances of the Applicant, the terms of the transaction and the plan of finance, we recommend final approval of the financing.

2. Description of Borrower, Project and Outstanding Debt

The Applicant has operated in the greater Portland area since 1868. It is one of the largest YMCAs in the Pacific Northwest, serving six counties in Oregon and one in Washington. As part of its Strategic Plan, it seeks to expand its locations, improve its existing locations and broaden its programs to serve its region and diverse populations more equitably.

The projects for which the Applicant seeks financing, or refinancing, are being pursued in support of its mission and strategic plan. The following is a profile of each project, and associated cost to be financed with proceeds of the Series 2024A Bond (collectively, the “Project Properties”):

- Acquisition and Improvement of Sherwood Regional Family YMCA Facility
 - Location: 23000 SW Pacific Highway, Sherwood, OR
 - Project Scope: Purchase of an existing facility currently leased from the City of Sherwood, and minor facility improvements
 - Total Estimated Cost: \$5,102,700

- Refinancing of, and Improvements to, Camp Collins YMCA Facility
 - Location: 3001 SE Oxbow Parkway, Gresham, OR
 - Project Scope: Minor renovations and refinancing of existing debt in advance of June, 2024 maturity
 - Total Estimated Cost: \$728,372

- Improvements to Beaverton Family YMCA and Southeast Family YMCA Facilities
 - Locations: 9685 SW Harvest Court, Beaverton, OR and
6036 SE Foster Road, Portland, OR
 - Project Scope: Various improvements to and renovations of existing facilities
 - Total Estimated Cost: \$1,025,500



- Costs of Issuance/Bad Use Allocation: \$282,000
- Total Cost of Projects: \$7,138,572

3. Plan of Finance

The Applicant executed a term sheet dated 8/29/23 (the “Term Sheet”) with the Lender pursuant to which the Lender will purchase the Series 2024A Bond in an amount up to up to \$6,060,000 issued on behalf of the Applicant by the Oregon Facilities Authority. The Series 2023 Bond will have an initial credit commitment and fixed rate of 7 years with an amortization period of 20 years. The Bond will be secured by the Project Properties (and possibly other properties) sufficient to achieve a loan to value of between 50 and 65%. The most recently provided (December 28) indicative fixed rate for the Bond is 5.10%. The actual rate will be set on a “mutually agreeable” date likely within a week in advance of closing. The Lender will be charging an origination fee at closing equal to 0.625% of the principal amount of the Bond. The Applicant shall be responsible for all costs associated with the transaction. The interest rate on the Bond shall be subject to change in the future in event of a change in corporate tax law, regulations, a determination of Bond taxability or an event of default. The principal financial covenants comprise (1) an EBITDAR (earnings before interest, taxes, depreciation, amortization and restructuring or rent costs) of not less than 1.20x, measured semi-annually, (2) unrestricted liquidity (“Unencumbered Liquid Assets”) of at least \$500,000 (also measured semi-annually) and (3) restrictions on additional indebtedness and encumbering fixed assets without Lender approval. The financing documents also require that the Applicant maintain its primary banking relationship with the Lender while the Bond is outstanding.

The Applicant seeks to finance the projects with a combination of up to \$6,060,000 of Series 2024A Bond and the balance with equity. The transaction received preliminary approval of the Bond at OFA’s October Board meeting.

4. Credit Assessment

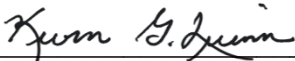
We have reviewed the Applicant’s audited financial statements as of December 31, 2021 and 2022 and management prepared financial statements for the first six months of FY 2023. Based on our review, it appears that the Applicant has adequate resources to meet the EBITDAR requirement set forth in the Term Sheet. In addition, the Q2 FY 2023 financial statements indicate total liquidity of approximately \$6.35 million. We note that in addition to the Bond, the Applicant will have two other outstanding credit facilities post-closing: (1) an approximately \$3,350,000 loan from Georgia O1 LLC maturing 6/30/2030 and (2) a bank line of credit for up to \$750,000 from Wells Fargo which matures in June, 2024 (which is expected to be replaced post-closing with a smaller line of credit).

5. Summary

The Applicant proposes to acquire a facility that it currently leases, refinance debt on an existing facility and fund improvements to three facilities with a combination of its own equity and the proceeds of a tax exempt bond of up to \$6,060,000 issued by OFA. Our review of the Bond Application indicates that the Applicant explored the availability, terms and cost of financing from 5 different banks before selecting the Lender. In addition, our review of financial information provided by the Applicant indicates that the Applicant has the capacity and resources with which

to support the proposed Series 2024A Bond as well as its other debt and lease obligations. Based on our review of the financing process and terms, the proposed transaction appears to be fair and reasonable. Accordingly, we recommend that the Board grant final approval of the issuance of the Series 2024A Bond.

Respectfully submitted by First Tryon Advisors

By: 
Kevin G Quinn, Managing Director



MEMORANDUM

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

FROM: Carol J. McCoog
Jennifer B. Córdova

DATE: January 8, 2024

RE: Final Approval of YMCA of the Columbia Willamette for Bond Financing through the Oregon Facilities Authority.

The Young Men’s Christian Association of Columbia-Willamette (the “Borrower”), an Oregon nonprofit corporation and a 501(c)(3) organization, is seeking final approval for the issuance of bonds (the “Bonds”) through the Oregon Facilities Authority in the maximum principal amount of \$6,060,000.

Background

The Bond proceeds are expected to be used for the following purposes: (a) finance the acquisition of and improvements to the Sherwood Regional Family YMCA Facility, (b) finance improvements to the Beaverton Family Facility and the Southeast Family YMCA Facility, (c) finance improvements to and equipment for the YMCA Camp Collins Facility, and (d) pay costs associated with the issuance of the Bonds.

The Borrower will obtain financing through a direct placement with Wells Fargo Bank, National Association (the “Bank”) with a draw-down structure with funds to be drawn over a nine-month draw period. The financing will bear interest at a fixed rate through maturity.

Issues Since Preliminary Approval

- We have completed our tax due diligence and are comfortable with the Borrower’s 501(c)(3) designation. Borrower’s counsel is prepared to deliver the appropriate opinions.
- We have completed our tax due diligence on the uses of the facilities being acquired and improved with proceeds of the Bonds and based on the Borrower’s representations, we do not believe that there will be private business use or unrelated trade or business use that will exceed the IRS limitations.

- Financing Agreement, Bank documents, borrower's counsel opinion, and other bond documents are in substantially final form.

Recommendation

Based on our review of this transaction and documents, we recommend the Borrower for final approval of the Bonds. Parties anticipate closing of the Bonds on or about January 23, 2024.

GWENDOLYN GRIFFITH
EXECUTIVE DIRECTOR

MICK HARRIS
ASSOCIATE EXECUTIVE DIRECTOR

ALLAN PATTERSON
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: Mick Harris

Date: January 4, 2024

Subject: Application by YMCA of the Columbia-Willamette

YMCA of Columbia-Willamette, headquartered in Portland, Oregon (the “Applicant”), timely made an application to the Oregon Facilities Authority (“OFA”) for Traditional Bond in the approximate amount of \$7,100,000 to fund a capital improvement project described in greater detail below (the “Project”). OFA granted preliminary approval to this transaction at its October 16, 2023 meeting.

Bond Counsel has confirmed that it is satisfied with the opinion of the Applicant’s Counsel that the Applicant is a §501(c)(3) organization that qualifies for OFA financing, and that the Project also qualifies under OFA’s statute and administrative rules. Bond Counsel has completed its diligence on the Project and the Applicant and has concluded that there is no private use or other problem with the transaction that would preclude OFA financing.

This is the Applicant’s third OFA financing. The Sponsoring Bank is Wells Fargo (the “Bank”), which has previously closed Traditional Bond financings. Mark Stasiowski, Vice President, is facilitating this loan for the Bank. This is a direct placement of a loan with a bank, not a public or limited offering.

The Applicant provides services related to affordable housing, education, economic development, and job training. The Project consists of three components: (i) the acquisition and improvement of the Sherwood Regional Family YMCA facility in Sherwood, Oregon; (ii) improvements to the Beaverton Family & Southeast Family YMCA Facility in Beaverton, Oregon; and (iii) the refinancing of a debt obligation in connection with the YMCA Camp Collins facility in Gresham, Oregon.

The financing team has been working diligently on the transaction and has identified no unusual issues. Bond Counsel reports that the loan documents are in substantially final form, that diligence is largely complete, and the necessary opinions (in draft form) have been received and are acceptable.

The TEFRA hearing was held on November 17, 2023, via telephonic conference. There were no members of the public that attended the meeting and no written comments received by OFA.

The final amount of the loan was lowered to the aggregate principal amount of not to exceed \$6,060,000. The Bank intends to fund a portion of the loan as a drawdown structure, with funds being disbursed to the Borrower over a nine-month draw period. The loan will have a fixed rate of seven years with a 20-year amortization period. The annual fixed interest rate is 5.10%. The parties have agreed to utilize the Bank's form of tri-party financing agreement, which foregoes the use of a trustee. In lieu of a trustee, the Bank has agreed to provide transaction notifications to OFA and OST.

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

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

If final approval is given, the Applicant and the Bank hope to close the financing on or about January 18, 2024.

***Recommendation:* I recommend that the Authority adopt Resolution 2024-1, granting Final Approval to YMCA of Columbia-Willamette for an OFA Traditional Bond, in the aggregate principal amount of not to exceed \$6,060,000.**

If you have any questions, please let me know.

MH

State of Oregon Oregon Facilities Authority

Resolution No. 2024-01

Adopted: January 8, 2024

A resolution of the Oregon Facilities Authority recommending that the State Treasurer issue revenue bonds to finance YMCA of Columbia-Willamette projects as described herein, 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 ORS Chapter 289, as amended (the “**Act**”), to recommend to the State Treasurer the issuance of revenue bonds or notes 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 in connection therewith; and

WHEREAS, the Young Men's Christian Association of Columbia-Willamette, an Oregon nonprofit corporation and a 501(c)(3) organization (the “**Participating Institution**”), requested that the Authority consider recommending that the State Treasurer issue revenue bonds under the Act in an approximate aggregate principal amount of \$7,100,000 (the “**Bonds**”), and to loan the proceeds of that Bonds to the Participating Institution for the purpose of (a) financing the acquisition of and improvements to the Sherwood Regional Family YMCA Facility, (b) financing the improvements to the Beaverton Family Facility and the Southeast Family YMCA Facility, (c) refinancing a loan to, and financing the improvements to and equipment for, the YMCA Camp Collins Facility (all of the foregoing being herein collectively called the “**Project**”); and

WHEREAS, the Authority, in its Resolution No. 2023-13 adopted on October 16, 2023 (the “**Initial Resolution**”), recommended that the State Treasurer indicate his intent to issue the Bonds on behalf of the Participating Institution to finance a portion of the Project as requested, and the State Treasurer expressed his intent to issue the Bond for such purposes; and

WHEREAS, the Participating Institution, the purchaser and other parties to the transactions related to the Project and the issuance, sale and delivery of the Bonds are ready to

Approving Resolution – YMCA of Columbia-Willamette

Page 1

proceed expeditiously with the issuance, sale and delivery of the Bonds and as such, the Authority wishes to delegate authority to the Executive Director of the Authority to approve final bond documents upon the advice of the Authority's bond counsel and financial advisor;

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

Section 1. Compliance with Administrative Rules. The Authority hereby finds and determines the following:

(i) In reliance upon the advice of the Authority's bond counsel and its financial advisor, the Executive Director has determined that all legal requirements and other requirements for the issuance of the Bonds to finance the Project have been met or will be met prior to the issuance of the Bonds, including but not limited to the fulfillment of any terms or conditions set forth in the Initial Resolution and the Preliminary Agreement approved thereby; and

(ii) Substantially final forms of the Financing Agreement, Continuing Covenant Agreement, Tax Compliance Agreement, and other operative documents relating to the Bonds have been placed on file with the Executive Director of the Authority and are available for inspection by members of the public.

Therefore, the requirements of the administrative rules adopted by the Authority pursuant to the Act (the "**Administrative Rules**") have been met insofar as such requirements relate to the matters referred to in (i) and (ii) above and to the extent such requirements must be met as a condition precedent to the adoption of this resolution by the Authority.

Section 2. Recommendation to Issue Bond. The Authority hereby recommends that the State Treasurer issue the Bonds under the Act in the aggregate principal amount of not to exceed \$6,060,000, and loan the proceeds of the Bonds to the Participating Institution for the purposes described herein.

Section 3. Effectiveness; Conflicting Resolutions. This Resolution shall be effective immediately upon its adoption. All 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.

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. 2024-01 as adopted by said Authority at a meeting duly called and held in accordance with law on January 8, 2024; 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 ____ day of _____, 2024.

Gwendolyn Griffith, Executive Director

TAB 5



MEMORANDUM

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

FROM: Carol J. McCoog
Jennifer B. Córdova

DATE: January 8, 2024

RE: Waterfall Clinic, Incorporated SNAP Loan

Waterfall Clinic, Incorporated (the “Borrower”), an Oregon nonprofit corporation and a 501(c)(3) organization, is seeking final approval for the issuance of an Oregon Facilities Authority SNAP Loan in the maximum principal amount of \$3,311,950 (the “SNAP Loan”).

Background

The Borrower will use the SNAP Loan proceeds to acquire a building that currently houses the Borrower’s mental health services.

The Borrower will obtain financing through Banner Bank (the “Bank”) with a 10-year loan amortized over 25 years with a rate that will be fixed at closing for the 10-year term.

Issues Since Preliminary Approval

- We have completed our tax due diligence and are comfortable with the Borrower’s 501(c)(3) designation. Borrower’s counsel is prepared to deliver the appropriate opinions.
- We have completed our tax due diligence on the uses of the portion of the facility being acquired through the SNAP Loan and based on the Borrower’s representations, we do not believe that there will be private business use or unrelated trade or business use that will exceed the IRS limitations.
- Bank documents, borrower’s counsel opinion, and SNAP loan documents are in substantially final form.

Memorandum
January 8, 2024
Page 2

Recommendation

Based on our review of this transaction and documents, we recommend the Borrower for final approval of the SNAP Loan. Parties anticipate closing of the SNAP Loan on or about January 31, 2024.

Memorandum

To: Oregon Facilities Authority

From: Kevin Quinn

Re: SNAP Loan Report –
Waterfall Clinic, Inc.

Date: October 12, 2023

1. Introduction

Pursuant to our engagement to serve as financial advisor to the Oregon Facilities Authority (“OFA”) in connection with OFA designated transactions, we have reviewed the SNAP Loan Application to OFA by Waterfall Clinic, Inc. (“Waterfall”) including related financial information. We have a briefing conference call scheduled with senior management of Waterfall this evening and will supplement our findings if necessary during the Board meeting next Monday. This Report presents our findings based on our review work to date.

2. Waterfall and Project Overview

Waterfall Clinic was founded in 1998 for the charitable purpose of providing fee-adjusted primary care services to low-income, medically uninsured, medically disenfranchised and other vulnerable populations in Coos County, Oregon. Effective September 1, 2007, Waterfall became a Federally Qualified Health Center (FQHC) and has been the continuous recipient of federal Consolidated Health Center Cluster Funding since that date. Waterfall is staffed by physicians, nurse practitioners, clinical social workers and related medical, clerical and fiscal support staff, comprising 97 employees in all. Waterfall is governed by a community-based board of directors, the majority of whom are representatives of the target population of clinic users.

Waterfall proposes to purchase an 11,991 square foot building located at 1303 N. Broadway Drive, Coos Bay, that currently houses its mental health services facility. The purchase price is \$6,850,000. The Building was newly built this year so no additional improvements are anticipated. Waterfall serves over 5,000 patients annually and expects to provide behavioral health services to 600 to 1,000 patients a month at the subject facility.

3. Financing Overview

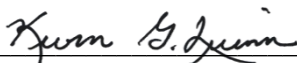
Waterfall proposes to secure financing totaling \$5.8 million from Banner Bank which combined with \$1.2 million of equity, would fund the purchase price of the building and transaction costs. Approximately 6,341 square feet of the building will continue to be occupied by Waterfall and a for-profit entity will continue to lease the remaining 5,650 square feet. Because of such private use, \$2.3 million of the total financing will be taxable and the \$3.5 million of tax-exempt SNAP financing will apply to the portion of the property occupied by Waterfall. The Banner Bank term sheet (dated 9/19/2023) proposes a conventional fixed rate financing with a 10 year term and 25 year amortization period. The indicative fixed rate for the tax-exempt portion of the financing is 5.66%. The indicative rate for the taxable component was not provided. The actual rate would be fixed at or near the time of closing. The SNAP Bond and taxable loan will be secured by deeds of trust on the subject property and one other property owned by Waterfall. There is a total loan to value requirement of 75%. We reviewed summaries of Waterfall’s financial statements for FY 2020-

2022 provided with the Application. As of FYE 2022, Waterfall had total debt of less than \$580,000 and a moderate level of liquidity. For the period of FYs 2020-2022, the organization appears to have generated reasonably consistent levels of operating revenue and expenses with positive cash flow each year.

4. Waterfall Interview

As noted above, we have a briefing conference call scheduled this evening with the CFO and Controller of Waterfall, with the objectives of verifying that Waterfall has conducted a reasonable investigation of its financing alternatives and debt capacity, and is making a fully informed decision in proceeding with the Banner Bank proposal. We will report the outcome of that call during our presentation at the OFA Board meeting on Monday.

Respectfully submitted by First Tryon Advisors LLC

By:  _____
Kevin G Quinn
Managing Director

GWENDOLYN GRIFFITH
EXECUTIVE DIRECTOR

MICK HARRIS
ASSOCIATE EXECUTIVE DIRECTOR

ALLAN PATTERSON
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 Zamora, Vice Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Mick Harris

Date: January 4, 2024

Subject: Application by Waterfall Clinic, Incorporated

Waterfall Clinic, Incorporated, headquartered in North Bend, Oregon (the “Applicant”), timely made an application to the Oregon Facility Authority (“OFA”) for SNAP Loan financing in an approximate amount of \$7,000,000 to fund a capital improvement project described in greater detail below (the “Project”). OFA granted preliminary approval to this transaction at its October 16, 2023 meeting.

SNAP Loan Counsel has confirmed that it is satisfied with the opinion of the Applicant’s Counsel that the Applicant is a §501(c)(3) organization that qualifies for OFA financing, and that the Project also qualifies under OFA’s statute and administrative rules. SNAP Loan Counsel has completed its diligence on the Project and the Applicant and has concluded that there is no private use or other problem with the SNAP Loan transaction that would preclude OFA financing.

This is the Applicant’s first OFA financing. The Sponsoring Bank is Banner Bank (the “Bank”), which has previously closed SNAP Loan financings. Maik Aagaard, Specialty Lending & Capital Markets Director, is facilitating this loan for the Bank.

The Applicant is a Federally Qualified Health Center that provides health services. The Project is the purchase of a new facility at 1300 N. Broadway St. in Coos Bay, Oregon to serve as an expansion of the Applicant’s Behavioral Health Center, which currently employs four psychiatric providers and four mental health providers. The Applicant is currently leasing a significant portion of the space in this facility.

The financing team has been working diligently on the transaction and has identified no unusual issues. SNAP Loan Counsel reports that the loan documents are in

Memorandum
January 4, 2024
Page 2

substantially final form, that diligence is largely complete, and the necessary opinions (in draft form) have been received and are acceptable.

The TEFRA hearing was held on December 13, 2023, via telephonic conference. There were no members of the public that attended the meeting and no written comments received by OFA.

The final amount of the SNAP Loan was lowered to \$3,311,950. The SNAP Loan will have a 25-year amortization period and a 10-year term. The estimated SNAP Loan interest rate is 5.66%.

The Financial Advisor does not make a report at the final approval stage for SNAP Loans.

SNAP Loan Counsel's Report is included in the materials. Ms. McCoog recommends the transaction for final approval.

If final approval is given, the Applicant and the Bank hope to close the financing on or about January 31, 2024.

***Recommendation:* I recommend that OFA adopt Resolution 2024-2, granting final approval to Waterfall Clinic, Incorporated for an OFA SNAP Loan in a maximum principal amount of \$3,311,950, and recommending to the State Treasurer that he consider closing the transaction.**

If you have any questions, please let me know.

MH

Oregon Facilities Authority

Resolution No. 2024-02

Adopted: January 8, 2024

A resolution of the Oregon Facilities Authority recommending that the State Treasurer issue a small nonprofit accelerated program (SNAP) loan to finance or refinance the project as described herein, 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 ORS Chapter 289, as amended (the “**Act**”), to recommend to the State Treasurer the issuance of revenue bonds, as defined in ORS 289.005(1)(b), 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 in connection therewith; and

WHEREAS, Waterfall Clinic Incorporated, an Oregon nonprofit corporation and 501(c)(3) organization (the “**Participating Institution**”), has filed with the Authority a substantially complete application to finance the acquisition of a building that currently houses the Participating Institution’s mental health services (the foregoing being herein collectively called, the “**Project**”); and

WHEREAS, in said application the Participating Institution requested that the Authority consider recommending that the State Treasurer issue a small nonprofit accelerated program (“**SNAP**”) loan under the Act in an approximate principal amount of \$4,000,000 (the “**Loan**”), and to lend the proceeds of that Loan to the Participating Institution for the purposes described above; and

WHEREAS, the Authority, in its Resolution No. 2023-14 adopted on October 16, 2023 (the “**Initial Resolution**”), recommended that the State Treasurer indicate their intent to issue the Loan on behalf of the Participating Institution to finance or refinance the Project as requested, and the State Treasurer expressed their intent to issue the Loan for such purposes; and

WHEREAS, the Participating Institution and Banner Bank (the “**Bank**”), as expected SNAP lender, have agreed on the terms of the Loan. The Participating Institution and the Bank have requested that the Loan be issued in accordance with the Authority’s SNAP loan financing

agreement in a maximum principal amount of \$3,311,950, and are ready to proceed expeditiously with the issuance of the Loan;

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

Section 1. Compliance with Administrative Rules. The Authority hereby finds and determines the following:

(i) In reliance upon the advice of the Authority's counsel for its SNAP revenue loan program and its financial advisor, the Executive Director has determined that all legal requirements and other requirements for the issuance of the Loan to refinance or finance the Project have been met or will be met prior to the issuance of the Loan, including but not limited to the fulfillment of any terms or conditions set forth in the Initial Resolution and the Preliminary Agreement approved thereby; and

(ii) Substantially final forms of the SNAP Revenue Loan Financing Agreement and the other operative documents described in OAR 172-005-0040 relating to the Loan have been placed on file with the Executive Director of the Authority and are available for inspection by members of the public.

Therefore, the requirements of the administrative rules adopted by the Authority pursuant to the Act (the "**Administrative Rules**") have been met insofar as such requirements relate to the matters referred to in (i) and (ii) above and to the extent such requirements must be met as a condition precedent to the adoption of this resolution by the Authority.

Section 2. Recommendation to Issue SNAP Loan. The Authority hereby recommends that the State Treasurer issue the Loan under the Act in the aggregate principal amount of not to exceed \$3,311,950, and lend the proceeds of the Loan to the Participating Institution for the purposes described herein.

Section 3. Effectiveness; Conflicting Resolutions. This Resolution shall be effective immediately upon its adoption. All 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.

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. 2024-02 as adopted by said Authority at a meeting duly called and held in accordance with law on January 8, 2024; 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 their hand as of this 8th day of January, 2024.

Gwendolyn Griffith, Executive Director

TAB 6

St. Vincent de Paul Application Rescheduled for February Meeting

TAB 7



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MEMORANDUM

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

FROM: Michael Schrader

DATE: January 3, 2024

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), has refiled an application with the Oregon Facilities Authority (the “Authority”) and is requesting preliminary approval from the Authority for the issuance of both tax-exempt and federally taxable revenue bonds, in an aggregate principal amount currently estimated at \$20,485,000 (the “Bonds”). Bond proceeds are expected to be used for the purpose of (i) refinancing all or a portion of the costs associated with acquiring the land and building that will provide a permanent home to the Borrower, (ii) financing all or a portion of the costs associated with renovating and improving the property to serve as educational facilities for the Borrower and for other activities and uses in furtherance of the Borrower’s purposes and mission, (iii) funding a debt service reserve fund, if required, (iv) paying capitalized interest, if necessary, and (v) paying costs of issuing the Bonds (collectively, the “Project”).

The Borrower previously submitted an application to the Authority for the financing of the Project in December 2022, and the Authority previously considered and adopted Resolution No. 2023-1 on January 9, 2023, recommending that the State Treasurer approve and issue bonds for the purpose of financing the Project. Due to extended delays in the development and design process, including particularly those related to required seismic improvements, and various other factors, the financing of the Project through the Authority did not proceed and the Borrower instead secured interim, direct taxable financing to purchase the property and proceed with project engineering and other design and development elements of the Project. This interim financing was provided by Hamlin Capital Management, LLC, and will be refinanced with the proceeds of the Bonds.

Given the lapse of more than six months from the initial filing of the application with and preliminary approval by the Authority, the Borrower has submitted a new application and is requesting that the Authority consider a recommendation to the State Treasurer to issue the Bonds for the purpose of financing and refinancing the Project at this time. It is currently anticipated that the Bonds would close in or around March or April 2024, if approved.

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, including portions of the Project that may be leased to third-parties. 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 certain 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 financed and refinanced, improved, renovated and equipped with proceeds of the Bonds.

During the first half of 2023, we participated in regular 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 draft documents, complete diligence review and various other tasks related to the financing of the Project and the issuance of the Bonds. During that time drafts of the Trust Indenture and Loan Agreement were completed and distributed. Bring-down due diligence requests are in process and document updates are being coordinated with other counsel, and we expect that updated forms of the Trust Indenture, Loan Agreement and other documents (the “Bond Documents”) will be circulated in substantially final form following preliminary approval of the Project at the January 8th Authority meeting. We also expect to work closely with Underwriter’s counsel to review and update the Preliminary Limited Offering Memorandum. We expect that all due diligence and final documentation, including holding a new TEFRA Hearing, will be completed in advance of consideration of final approval of the Bonds by the Authority at either the February 12th or March 11th 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 City View, ACE Charter School, Metro East Web Academy, Howard Street Charter School, Arco Iris Spanish Immersion School and Redmond Proficiency Academy. 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, absent a request to permit individual accredited investors to purchase the

Bonds, 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.

Given that the Borrower secured bridge financing, acquired the new facilities and has proceeded with the development and design of the Project in the interim, we do not expect there to be significant delays related to real estate, building permits and entitlements or any and construction-related agreements. All Project documents, required consents and approvals and other matters will be finalized or obtained prior to the closing of the Bonds.

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 (which, as noted, had been started before the original financing was delayed). 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 a new 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, an update and 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 Project and financing.

**Oregon Facilities Authority
Preliminary Financial Advisory Report
Portland Village School
January 4, 2024**

1. Preliminary Findings

Portland Village School submitted a new Financing Application for tax-exempt bond financing of up to \$20,045,000 and taxable bond financing for up to \$440,000. As financial advisor to the Authority on this matter, we have reviewed the Application and participated in a scoping call on December 27 to learn about the School's project and proposed financing. The Application was submitted on December 13 and most of the requested follow up information was not delivered until earlier this week. The Application, scoping call and requested supplemental information appear to provide sufficient information to warrant preliminary approval. However, additional information, analysis and discussion will be necessary to support our recommendation for final approval. A preliminary overview of key credit considerations is provided below.

2. Description of Borrower and Project

Portland Village 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 420 students as of the 2023-24 school year. The School currently leases a property for its operations. The School seeks to develop and own its own facilities and to increase enrollment from the current 420 to its 444 student charter limit. The School had submitted an Application in January, 2023 and efforts commenced after preliminary approval by OFA with respect to a financing effort. However, by May, it became apparent that the School needed to undertake considerable additional planning before its project would be ready for financing. In September, the School proceeded to purchase the property which it wishes to redevelop for its use – a 43,000 square foot building on one acre located at 4650 S. MacAdam Street in Portland. The School purchased the property for approximately \$7,156,000 and financed the entirety of the purchase price, reserves and transaction costs with the proceeds of a short term institutional loan for \$8,700,000 and \$1,000,000 of school equity. The School proposes to renovate, improve and equip the facility at an estimated cost of \$9,000,000. The School's project development schedule anticipates (1) finalizing a GMP construction contract and receiving a building permit in late January/early February, (2) completing construction in the summer of 2024 and (3) occupying the property prior to beginning of 2024/25 school year.

3. Plan of Finance

The School proposes to fund the cost of the project with a combination of debt and equity. The following is the School's estimate of the sources and uses of funds:

Sources:

○ Tax Exempt Bonds:	\$19,310,000
○ Reoffering Premium:	415,913
○ Taxable Bonds:	415,000
○ Borrower Equity:	<u>715,000</u>
Total:	\$20,885,913

Uses:	
○ Loan Repayment:	\$8,910,854
○ Facility Renovations:	9,000,000
○ Debt Service Reserve:	1,509,031
○ Capitalized Interest:	685,437
○ Transaction Costs:	<u>440,000</u>
Total:	\$20,885,913

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 not expected to have a credit rating. The School's underwriter, D.A. Davidson, is an experienced underwriter of charter school bond issues. The proposed term of the bonds is 35 years with an approximately level annual debt service structure. The lease on the School's current rented facilities expires on June 30, 2024. However, during the scoping call, the School advised that it has been successful in negotiating lease extensions until November 30, 2024 in case of a delay in the completion of renovations. Preliminary financial projections developed by the School and its financial advisor indicate pro-forma debt service coverage (DSC) of 1.20x in the first full year of stabilized occupancy (FY 2026) when projected enrollment reaches 444 and by which time all capitalized interest funds have been spent. The interest cost assumed in the analysis is 6.84% based on input provided by D.A. Davidson. The School paid \$339,000 in facility rent in FY 2023. That cost would be replaced by annual debt service on the proposed bonds that is estimated to average approximately \$1,450,000 (starting FY 2027).

The School seeks preliminary approval at the January OFA Board meeting and final approval at the February 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. The School appears to enjoy good support from the Portland School District. However, it has advised of recent potential teacher union formation activity which may impact its operating costs. We also note that the amount of financing proposed by the School has more than doubled over the proposed amount in its January, 2023 Application. That is largely attributable to the considerably higher cost of renovations than expected earlier last year. In addition, the School's most recent projections of net revenue available for debt service is appreciably higher than those contained in projections last year but without a significant change in projected gross revenues and with lower projected operating costs. Current projections indicate pro-forma debt service coverage between FYs 2026 and 2028 ranging between 1.20 and 1.25x, with a proposed DSC covenant of 1.10x. The proposed amount of debt and relatively low projected debt service coverage raise serious concerns about the School's capacity to support the proposed debt and we will need to discuss such matters in greater depth with the Schools and its advisors in support of a favorable recommendation for final approval by the Board.

We have requested the following additional documents, information and analysis in order to complete our credit assessment:

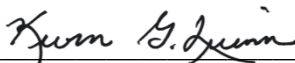
- Detailed Project development timetable including target dates for receipt of all entitlements, permits and GMP construction agreement)
- School's management prepared financial statements for Q1 & 2, FY 2024 (or as much of FY 24 as is available)
- FY 2024 Budget
- Details regarding funding sources other than per pupil allotment from the Oregon Department of Education
- Assessments of School by its authorizer (School District 1J, Multnomah County (Portland Public Schools)) over the past three years)
- Detailed financial model (in particular with respect to operating costs)
- 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)

5. Summary

Portland Village 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 95% 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 achieving projected growth in enrollment and maintaining tight control over operating expenses will be crucial 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 and having further, more detailed discussions 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

By: 
Kevin G Quinn, Managing Director

GWENDOLYN GRIFFITH
EXECUTIVE DIRECTOR

MICK HARRIS
ASSOCIATE EXECUTIVE DIRECTOR

ALLAN PATTERSON
EXECUTIVE ASSISTANT



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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: Mick Harris

Date: January 4, 2023

Subject: Application by Portland Village School

Portland Village School, headquartered in Portland, Oregon (the “Applicant”), timely made an application to the Authority for Traditional Bond financing for the issuance of both tax-exempt and federally taxable revenue bonds, in an aggregate principal amount of \$20,485,000. 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.

The Applicant is a nonprofit charter school 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.”

Specifically, bond proceeds are expected to be used for the purpose of (i) refinancing all or a portion of the costs associated with acquiring the land and building that provide a permanent home to the Applicant, (ii) financing all or a portion of the costs associated with renovating and improving the property to serve as educational facilities for the Applicant and for other activities and uses in furtherance of the Applicant’s purposes and mission, (iii) funding a debt service reserve fund, if required, (iv) paying capitalized interest, if necessary, and (v) paying costs of issuing the bonds (collectively, the “Project”).

Memorandum
January 4, 2023
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This is the Applicant's first OFA financing. The transaction will be structured either as a direct placement to a single qualified institutional investor or a limited offering to multiple qualified institutional investors. David Robertson is serving as Financial Advisor to the Applicant. D.A. Davidson is the underwriter.

The Applicant previously applied for financing in December 2022. In January 2023, OFA recommended the approval and issuance of bonds for the purpose of financing the Project. As a result of project delays, OFA encouraged the Applicant to secure alternative interim financing for the Project. Hamlin Capital Management, LLC provided interim financing which the Applicant wishes to refinance using bond proceeds. The proposed term of the bonds is 35 years with an approximately level annual debt service structure.

On December 27, 2023, OFA held a scoping call with the financing team. No unusual issues were identified. To demonstrate the viability of the proposed financing, it is critical that the Applicant provides revenue projections and sufficient project details prior to final approval. The diligence process will be underway shortly. The Applicant hopes to receive final approval in at the March 2024 or April 2024 OFA meeting.

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.

Recommendation: I recommend that the Authority adopt Resolution 2024-4, granting Preliminary Approval to Portland Village School for a Traditional Bond in the approximate aggregate principal amount of \$20,485,000, in both taxable and nontaxable series.

If you have any questions, please let me know.

MH

STATE OF OREGON
OREGON FACILITIES AUTHORITY

RESOLUTION No. 2024-03
ADOPTED: JANUARY 8, 2024

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 refiled with the Authority an application requesting the issuance of revenue bonds for the purpose of (i) refinancing all or a portion of the costs associated with acquiring the land and building that will provide a permanent home to the Participating Institution and (ii) financing all or a portion of the costs associated with renovating and improving the property to serve as educational facilities for the Participating Institution and for other activities and uses in furtherance of the Participating Institution’s purposes and mission (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 principal amount of \$20,045,000 and the federally taxable bonds issued in the approximate principal amount of \$440,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing and refinancing 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 previously filed an application with the Authority for the financing of the Project, and pursuant to Resolution No. 2023-1 adopted on January 9, 2023 (the “2023 Resolution”), the Authority recommended that the State Treasurer issue one or more series of bonds for the financing of the Project; and

WHEREAS, due to extended delays in the development and design process and various other factors, the financing for the Project originally recommended by the 2023 Resolution was not completed and the Participating Institution instead secured interim, direct taxable financing to purchase the property and proceed with project engineering and other design and development elements of the Project; and

WHEREAS, given that the financing contemplated by the original application and by the 2023 Resolution did not proceed and close as required by Oregon Administrative Rule 172-005-0020(3), the Participating Institution has submitted a new application and requested that the Authority consider a new recommendation to the State Treasurer for the issuance of the Bonds for the purpose of refinancing and financing the Project and to pay the related costs associated therewith; 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 have previously prepared and are now updating drafts of the basic documents needed in connection therewith, and are ready to complete required due diligence, to finalize documentation required in connection with the financing and refinancing 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 and refinancing 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 approximate aggregate principal amount of \$20,485,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of refinancing and 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 and refinancing 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 and refinancing 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 and refinancing 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. 2024-03 as adopted by said Authority at a meeting duly called and held in accordance with law on January 8, 2024; 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 8th day of January 2024.

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 8th day of January 2024 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 (i) refinancing all or a portion of the costs associated with acquiring the land and building that will provide a permanent home to the Participating Institution and (ii) financing all or a portion of the costs associated with renovating and improving the property to serve as educational facilities for the Participating Institution and for other activities and uses in furtherance of the Participating Institution’s purposes and mission (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 principal amount of \$20,045,000 and federally taxable bonds issued in the approximate principal amount of \$440,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of refinancing and 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. 2024-__ adopted on January 8, 2024 (the "Resolution"), the Authority has recommended that the State Treasurer issue the Bonds under the Act in the aggregate principal amount of approximately \$20,485,000, 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 and refinancing 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 and refinancing 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 or refinancing, 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 or refinancing, 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 and refinancing 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 or refinancing 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 or refinancing 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 or refinancing 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: _____