

Jaime Alvarez, Chair & Designee
Office of the State Treasurer

Rhonda L. Nelson, Designee
Oregon Department of Administrative Services

Theresa K. Deibele, Public Member



**PRIVATE ACTIVITY
BOND COMMITTEE**
867 Hawthorne Ave SE
Salem, OR 97301-5241
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September 5, 2024

TO: Members of the Private Activity Bond Committee

FROM: Jaime Alvarez, Chair
Office of the State Treasurer, Director of Debt Management Division

SUBJECT: Meeting on Wednesday, September 11, 2024

The Private Activity Bond Committee will meet on Wednesday, September 11, 2024, to discuss the extension request from Oregon Business Development Department regarding the April 17, 2024 Volume Cap Allocation.

This meeting will be conducted from 2:00 pm – 3:00 pm (estimated end time) via a virtual system; Microsoft Teams will be used for the virtual meeting. See enclosed Public Meeting Notice and Agenda for participation details.

An e-copy of the meeting packet is provided on the [PAB webpage](#). Due to remote working locations of staff, a hard copy is not distributed; please print if hard copy is preferred.

Please contact us at 503-378-4930 if you have any questions.

TAB 1 –

PUBLIC MEETING NOTICE & AGENDA

September 11, 2024

Jaime Alvarez, Chair & Designee
Office of the State Treasurer

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**PRIVATE ACTIVITY
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PUBLIC MEETING NOTICE AND AGENDA

THE PRIVATE ACTIVITY BOND COMMITTEE WILL HOLD A SPECIAL

VIRTUAL MEETING ON

Wednesday, September 11, 2024

2:00pm – 3:00pm¹

AUDIO AND VIDEO PARTICIPATION: [Click here to join the meeting](#)

AUDIO PARTICIPATION ONLY:	Dial-In Access	971-279-6217
	Dial-In Toll Free	833-213-7399
	Conference ID #	997 927 151#

AGENDA¹

- | | | | |
|----|---|---------|---------|
| 1. | Call to Order & Roll Call | 2:00 PM | 2:05 PM |
| 2. | <u>2024 Volume CAP Extension Request</u>
Oregon Business Development Department | | |
| | • \$32,000,000, <i>BHS Projects @ Lane County, LLC</i> | 2:05 PM | 3:00 PM |
| | • Public Comment ² | | |
| | • Vote | | |
| 3. | Adjournment | | |

¹ Estimated times

² Public comment, each person will be restricted to 2 minutes

TAB 2 -

2024 VOLUME CAP EXTENSION REQUEST

Oregon Business Development Department

Bulk Handling Systems Project

Qualifying IRS 142(a)(6)

\$32,000,000

Request/Project Presentation



Date: August 21, 2024
To: Private Activity Bond Committee
From: Blair Sundell, Finance Manager
RE: 2024 PAB Allocation Bond Closing Extension Request for BHS Projects @ Lane County, LLC

Chair Alvarez and members of the Private Activity Bond Committee.

The following memo is provided to supplement Oregon Business Development Department's ("OBDD") award for \$32,000,000 in Private Activity Bond ("PAB") allocation.

On April 17, 2024, the Private Activity Bond Committee ("Committee") awarded OBDD an allocation in the amount not to exceed \$32,000,000 for BHS Projects @ Lane County, LLC (the "LLC"). Due to some delays in the project, as described below, OBDD respectfully requests that the Committee consider an extension of the 150-day period to December 15, 2024, pursuant to OAR 170-071-0005(10).

Project Recap

Emerging Acquisitions, LLC dba Bulk Handling Systems ("BHS") is pursuing a public-private partnership ("County Agreement") with Lane County. BHS, through the LLC, is financing a portion of their contribution to a 141,355sf waste to energy and materials recycling facility just south of Eugene on an approximately 26-acre site in the rural unincorporated community of Goshen, Oregon, which is economically distressed. The project is estimated to create 69 full time jobs for the local economy, generate natural gas via methane capture for use locally, and provide valuable recyclables for sale to businesses in Oregon and elsewhere.

Applicant

BHS is an equipment engineering and manufacturing company formed in 1976 and based in Eugene, Oregon. BHS specializes in the design, engineering, manufacturing and installation of sorting systems and components for the solid waste, recycling, waste-to-energy, and construction and demolition industries. They offer a range of equipment and software used primarily in waste management. Their technology includes the first single stream recycling system produced in the U.S., the first company to use optical sorting technology to process PET plastics, and the first company to produce an Artificial Intelligence and Robotics sorter at commercial scale for use in the waste and recycling industry. BHS equipment and technology is used in municipal solid waste projects globally.

Extension Request and Project Update

County Agreement negotiations between BHS and Lane County took longer than expected, which delayed BHS' ability to provide the Committee with confirmation of bond closing within the 150-day period.

Negotiations have finalized and the Board of Commissioners of Lane County approved the County Agreement during their August 20, 2024 meeting. In addition, authorization was provided for Lane County to issue \$35 million in bond financing.

Since the initial presentation was made to the Committee this April, Lane County has also successfully completed the purchase of the site for the facility and is in the final stages of working through zoning and permitting.

BHS has indicated that discussions with its bank are ongoing and should be on track for a mid-November closing. BHS also indicated that engineering design schematics are also in the process of being finalized. Negotiating the County Agreement was a major milestone in the project, and while requiring an extension of the PAB allocation, BHS is confident that the project is on track and that the bonds will close within the extended deadline of December 15, 2024.

DocuSigned by:

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Blair Sundell, Finance Manager
Oregon Business Development Department

Allocation Extension Request for BHS Projects @ Lane County, LLC

Blair Sundell, Business Finance Manager for OBDD

September 11, 2024



Background

- On April 17, 2024, PABC approved a \$32,000,000 bond allocation for BHS Projects @ Lane County, LLC (“the Applicant”) with a 150-day period to close by September 14, 2024.
- Negotiations between the Applicant and Lane County took longer than anticipated.
- Certain closing conditions on the Resolution for Project Eligibility and Declaration of Intent were revisited with a subsequent request for modification by the Applicant.

Progress Report

- On August 20, 2024, the Board of Commissioners of Lane County approved the agreement between the Applicant and Lane County. At the same meeting, Lane County received authorization to issue \$35,000,000 in bond financing.
- On August 30, 2024, the OBDD Commission's Finance Committee approved the Applicant's request to modify the conditions of the Resolution for Project Eligibility and Declaration of Intent.

Progress Report

- Lane County has completed the purchase of the site since the April 17, 2024 PABC meeting.
- According to Lane County, zoning and permitting are in the final stages of approval.
- According to the Applicant, financing from its bank is on track for a mid-November closing.
- Due to the milestones achieved and the expectation that closing will occur prior in mid-November, the Applicant believes that the extended deadline of December 15, 2024 is achievable.



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