

**COLUMBIA RIVER GORGE NATIONAL SCENIC AREA
OREGON INVESTMENT BOARD
Wednesday, February 19, 2014
Hood River County Library
502 State Street, Hood River, OR 97031
11 A.M.**

ATTENDANCE:

OIB members: Ken Bailey, Ken Farner, Jack Miller, Andrea Klaas, Karen Fairchild, and Bob McFadden

Excused: Judith Perry

Staff: Eric Nerdin, Sherry Bohn, and Amanda Hoey

CALL TO ORDER:

Chair Ken Bailey called the meeting to order at 11:00 am. A quorum was present.

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS:

Ken Bailey reminded the Board to disclose conflict of interests for any of the applications to be reviewed today and a round table of introductions was held.

APPROVAL OF NOVEMBER 20, 2013 MINUTES

Bob McFadden moved to approve the January 15, 2014 minutes. Ken Farner seconded the motion. Motion passed unanimously.

APPROVAL OF CORRECTED FEBRUARY 14, 2013 MINUTES

Karen Fairchild moved to approve the corrected February 14, 2013 minutes showing the corrected collateral for the Abide Distillery loan. Jack Miller seconded the motion. Motion passed unanimously.

FINANCIAL REPORT:

Amanda Hoey presented the financial report for the period ending January 31, 2014. She reported that, as per the presented report, the OIB funds available to grant/loan totaled \$948,552.24 and the loans receivable balance was \$1,552,480.67. Amanda also reported that the presented January Financial Summary included the January activity for Loans Disbursed figure of \$14,663.29 which included final disbursement for Brigham Fish Products and Professional Services figure of \$7,863.93.

Ken Farner moved to accept the financials as presented. Bob McFadden seconded. Motion passed unanimously.

LOAN MODIFICATION REQUEST: WASCO CLOCK TOWER, INC

Eric Nerdin presented a loan modification request from Wasco Clock Tower, Inc (dba Clock Tower Ales) to release and replace Collateral, release Chelsea Powell as a personal guarantor and release Kelly Avenue – TD, Inc. dba Spencer, Libby and Powell Funeral Home as a business guarantor on OIB loan #109-01-01.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into an Executive Session at 10:04 a.m.

Regular session was reconvened at 11:45 a.m.

LOAN MODIFICATION REQUEST DECISION: CLOCK TOWER ALES:

Ken Farner moved to approve a loan modification request releasing real estate and improvements located at 916 Kelly Avenue, The Dalles, Oregon as collateral and replacing it with a security position in real estate and improvements located at 311 Union Avenue, The Dalles if the value of that collateral equals or exceeds the value of the position in the 916 Kelly Avenue real estate/improvements and releasing Chelsea Powell as a personal guarantor, but not releasing Kelly Avenue – TD, Inc. dba Spencer, Libby and Powell Funeral Home as a business guarantor for OIB loan #109-01-01. This request is conditional upon the following:

1. Loan client will pay all third party fees associated with this approval, such as reconveyance fees to release OIB liens on real estate and recording fees to secure real estate.
2. Loan client to pay a \$150 loan modification fee.
3. Loan client meets collateral validation requirements.
4. All other conditions of the original loan remain in effect.

Karen Fairchild seconded. Motion passed unanimously.

FUNDED LOANS REPORT AND UPDATE:

Eric Nerdin presented the Loan Fund Delinquency Report for the period ending February 13, 2014, highlighting Hood River Learning Center as follows:

Staff has received a signed trust deed and continues to work with the client in order to find a resolution.

Discussion: Ken Farner asked if staff had received any collateral agreement on the building in White Salmon, WA. Eric stated that he was working on it.

OTHER NEW BUSINESS

University of Oregon Match for Agora Investment Platform RARE Participant Project

Amanda Hoey provided an update on the status of the OIB match to be provided by the University of Oregon (U of O) for the RARE participant hosted at MCEDD. Amanda reported that the OIB granted \$10,000 to MCEDD for the Agora RARE Participant Project. The original project budget included a \$13,150 in-kind contribution from U of O to support the placement of the RARE Participant at MCEDD. Generally, in-kind contributions are not included in the budget as they vary. Amanda stated that MCEDD staff received a letter from U of O confirming the contribution of in-kind match for the Agora RARE Participant project, but it is less than the amount included in the original project budget. MCEDD staff communicated with the RARE program director at U of O and learned that due to a reduction in federal and other grant funds, they were only able to commit to providing \$8,535 in-kind match for the Agora RARE Participant Project. The change in the University's match amount will have no effect on the RARE Participant's ability to complete the scope of the OIB grant. In addition, MCEDD staff has updated the OIB grant contract to reflect the change in the project budget and adjusted OIB proportion of project income, which changed from 27.66% to 31.71%.

OIB/WIB Funding

Amanda Hoey reported that staff had received an update from Senator Merkley's staff that they were looking at the original language for fund requests, working on clarifying that language and mechanisms to distribute

funds and would resubmit in 2015. She reported that Senator Merkley is a strong advocate but the process will take time. Amanda stated that Gorge Commission and Friends of the Gorge both provided letters of support which reconfirm commitments for support they made in 2011.

Discussion: Jack Miller asked for a clarification of the initial appropriation. Amanda stated that the initial authorization for funding was five million for each state and the balance of funds which have not yet been appropriated is \$1.9 million. Given the time gap between authorization and funding, the fund need and request is \$5 million.

Amanda addressed the meeting highlighted in the local paper that involved local ports and economic development entities and was coordinated by the Gorge Commission. Amanda expressed gratitude for the port partners for bringing the OIB, WIB, Skamania EDC and MCEDD to the table as much of the proposed work is already underway through these entities.

Discussion: Bob McFadden stated that it would be great to have a better understanding of who does what and what each entity has already accomplished. He stated that there needed to be a better understanding that a lot of what was on the agenda for the regional meeting was already being done.

Meeting adjourned at 12:05 a.m.

*Respectfully submitted,
Sherry Bohn, OIB Staff*