



Mid-Columbia Economic Development District

MCEDD Loan Administration Board Meeting
Tuesday, December 19, 2017
8:00 am

MCEDD Office
515 East Second Street
The Dalles, OR 97058

AGENDA

<u>Topic</u>	<u>Estimated Time</u>	<u>Item</u>
Call to Order, Introductions, Conflict of Interest Disclosures		
Loan Administration Board Minutes <i>November 21, 2017</i>	5 minutes	Approval
Loan Request <i>Mt Shadow Foods, LLC</i> <i>Doug Beveridge/Mike Kitts</i>	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Loan Modification Request <i>Abide Craft Distillers, LLC dba Camp 1805</i>		
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions		
Loan Reports	10 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Impact Study	10 minutes	Discussion
Other New Business		
Adjourn		

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services or assistance, please contact us at (541) 296-2266; TTY 711 at least 48 hours before the meeting. MCEDD is an equal opportunity employer, lender and provider.

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
LOAN ADMINISTRATION BOARD MEETING MINUTES**

Tuesday, November 21, 2017

8:00 am

MCEDD OFFICE, 515 East 2nd Street, The Dalles, OR

ATTENDANCE:

BOARD: Rod Runyon, Scott Clements, Dillon Borton, Bob Hamlin, Gary Thompson

STAFF: Amanda Hoey, Eric Nerdin

GUESTS: Ken Bailey, MCEDD Board Chair

CALL TO ORDER:

Scott Clements called the meeting to order at 8:00 a.m. A quorum was present. A round of introductions took place. Scott Clements requested that any Board member disclose any conflict of interests for any of the topics to be reviewed today. None were noted.

LOAN ADMINISTRATION BOARD MINUTES

Dillon Borton moved to approve the minutes from November 7, 2017. Bob Hamlin seconded the motion. Motion passed unanimously.

ELECTION OF OFFICERS

Rod Runyon moved to renew the slate of officers with Scott Clements as chair and Bob Hamlin as vice-chair. Dillon Borton seconded the motion. Motion passed with three in favor and one abstention (Clements).

LOAN MODIFICATION REQUEST: FULL CIRCLE, LLC

Eric Nerdin presented a loan modification request for Full Circle, LLC to extend the repayment terms and modify the loan repayment structure for its MCEDD loans.

EXECUTIVE SESSION

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:05 a.m.

Gary Thompson joins at 8:07 a.m.

Regular session was reconvened at 8:22 a.m.

LOAN MODIFICATION DECISION: FULL CIRCLE, LLC

Dillon Borton moved to approve the extension of the MCEDD loans to Full Circle, LLC as recommended by staff with the conditions and parameters as presented and inclusion of alternate option two requiring MCEDD to record a third position trust deed lien on a personal residential property. This position may be shared with OIB and will be recorded after the refinance of the property is completed. Bob Hamlin seconded the motion.

Discussion: Rod Runyon inquired as to the general cost of recording for the property and if that cost will be paid by the client. Eric Nerdin noted the average cost of recording without title insurance and stated that those costs would be required to be paid by the client.

Motion passed unanimously.

LOAN DISCUSSION

Bruce Nissen, LDB Beverage, requested to present to the Loan Administration Board. However, he was not in attendance. Amanda Hoey provided an overview of the status of their loans.

EXECUTIVE SESSION

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:26 a.m. to discuss the current status of the LDB Beverage loans.

Regular session was reconvened at 8:33 a.m.

STAFF REPORTS

Eric Nerdin provided a report of loan activity from the past month. Eric provided a reminder of the December 5, 2017 Loan Administration Board meeting as there are a number of proposals anticipated to be reviewed at this meeting.

OTHER NEW BUSINESS

No other new business was presented.

ADJOURNMENT: The meeting was adjourned at 8:35 a.m.

Respectfully submitted by Amanda Hoey, Executive Director.

Memorandum

Date: December 13, 2017

To: MCEDD Loan Administration Board

From: Amanda Hoey, Executive Director

Re: University Center Research Assistance

Request

This item is informational only, but provides an opportunity for discussion on the statement of work for the business loan program impact study.

Overview

Annually MCEDD requests assistance through the University of Oregon as our Economic Development Administration funded university center for research and technical assistance. This year, one of the projects they accepted from MCEDD was a study of the long-term impact of MCEDD's business loan program. Lead MCEDD contact will be Eric Nerdin as it moves into implementation. Attached is the draft scope of work for this project, which has also been presented to MCEDD's Executive Committee. The research for this project is paid for through the University Oregon's Consulting Group, largely with resources under the Economic Development Administration University Center grant.

**ATTACHMENT A
STATEMENT OF WORK**

Engagement: Business Loan Impact Study	Prepared By: Rich Duncombe, Director OCG
Client: Mid-Columbia Economic Development District	Client Leads: Eric Nerdin: Loan Fund Manager, MCEDD Robert Parker: Director, CSC

Purpose: The Mid-Columbia Economic Development District (MCEDD) and the Community Service Center at the University of Oregon (“Client”) is retaining the University Oregon’s Consulting Group (“University”) for a project to study the long-term impact of MCEDD’s business loan program.

MCEDD’s mission is to promote the creation of family-wage jobs, the diversification of the economic base, and the growth, development, and retention of business and industry within their five-county district. MCEDD was formed in 1969 by its member counties. It received federal designation as a District from the US Economic Development Administration in 1970.

The MCEDD has provided over 230 loans to 200+ businesses with favorable rates, terms, and requirements. Currently, there are about 60 businesses with MCEDD loans. About 150 businesses have utilized MCEDD’s loans over the last decade.

Opportunity: The MCEDD has good visibility to how their loans are benefiting businesses while participating in the loan program, including case studies shared at their quarterly meetings. The issue is that the economic impact of these loans becomes less clear after the businesses are no longer in the program.

Overarching Goal:

The overarching goal of the University project is to gather information from as many of the MCEDD current and past participants as possible to develop a holistic perspective on how the loan program contributed to economic growth. The key steps include:

1. Conduct research to understand the loan program and to identify survey examples for other similar programs.
2. From the above research, develop a survey tailored for the target businesses.
3. Distribute the survey to capture as much quantitative information as possible.
4. Analyze the survey results to identify themes that indicate needs, areas of satisfaction and dissatisfaction.
5. Recommend ideas for how MCEDD could increase their contribution to economic development through their loan program.

Key Steps:

Conduct Background Research:

1. Meet with the OCG research librarian to obtain secondary information regarding similar government non-profit lending programs. Identify any relevant surveys conducted by these programs.
2. Review information from MCEDD on the program approach and effectiveness.
3. Interview Professors to gather suggestions on the overall survey objectives, architecture, and questions.
4. Compile a list of the best approaches from the above research.

Develop Survey:

1. Determine the target audience(s) for the survey (i.e., CEO, CFO).
2. Develop a prioritized list of information to be gathered from the survey.
3. Develop the Qualtrics survey logic with questions and get client approval.
4. Write the survey.
5. Test the survey with the CSC and MCEDD and several businesses currently in the loan program to ensure

that the language and flow will capture the intended information.

Distribute Survey:

1. Distribute the survey to the target groups utilizing client supplied contact information.
2. Monitor response rate over a three-week period.
3. Intervene with alternative methods to gain survey engagement.
4. Approximately at week 7, capture the initial data for analysis while keeping the survey open.

Analyze Survey Results:

Analyze the survey results to identify themes that indicate needs, areas of satisfaction and dissatisfaction.

Recommendation:

Based on the above data and analysis, make a recommendation on the following:

1. Areas of strengths that contributed to the businesses success
2. Issues that limited the businesses success
3. Issues associated with the MCEDD loan program that limited the businesses success
4. Ideas for ideas for how MCEDD could increase their contribution to economic development through their loan program.

Client Responsibility:

1. Client agrees to provide access to experts and documents relevant to understanding the project history, current state and other accessible material that would accelerate the project deliverables.
2. The client provides contact information for the survey recipients.
3. Client agrees to participate in weekly meetings to guide the University team on behalf of maximizing the value of the project for the business and the students.

Approach:

1. Secondary Research – the University will utilize the research data sources available at the University of Oregon and Client provided data sources to discover and synthesize information for the Client project.
2. Primary Research – the University will utilize in-person or phone interviews with sources to gain further insight into the project. To the extent possible, the Client will provide specific suggestions for people for the University to contact. The University will also independently initiate contact with people as needed.

Promotion:

At the Client's sole discretion, the University requests permission to create and share the below endorsements from the Client, written by the Strategic Communication office at the Lundquist College of Business and approved by the Client.

1. A summary (several sentences and logo) about the project for the Oregon Consulting Group Project Portfolio page on the website
2. A story (several paragraphs) with Client quotes about the project, impact and the services provided by the Oregon Consulting Group for the University e-News publication.

Project Timeline and Roles			
Phase	Description	University Role	Client Role
OCG Start: Week of Jan 8, 2018	Internal Project Start <ul style="list-style-type: none"> Review Statement of Work and Client background information Align Work Plan to deliver the project outcomes 	<ul style="list-style-type: none"> Select PM Form team Prepare Work Plan 	<ul style="list-style-type: none"> Coordinate Client Kickoff Meeting
Client Kickoff: Week of Jan 15, 2018	Face to Face Meeting <ul style="list-style-type: none"> Jointly align Work Plan to deliver the project outcomes Introduce team Establish meetings/communication 	<ul style="list-style-type: none"> Team starts project research Prepare Kickoff Meeting materials Initial list of needed data and interview contacts from client 	<ul style="list-style-type: none"> Assign Business primary contact and stakeholders Identify resources needed for project
Research: Weekly Status Meetings from Weeks of Jan 15 through March 5	Either Face to Face or Webinar <ul style="list-style-type: none"> Review previous weeks progress Address questions to improve the outcomes as the project unfolds Identify/resolve resource issues Align plan for the next week 	<ul style="list-style-type: none"> Prepare status update Identify questions and requests Propose plan for next week 	<ul style="list-style-type: none"> Review material in advance if provided Actively engage to improve the value of the outcomes
Mid-Point Review: Ideally Week of Feb 5, 2018	Face to Face Meeting if possible <ul style="list-style-type: none"> Review the preliminary project results to date Adjust as needed to deliver the most value Align plan for remainder of project 	<ul style="list-style-type: none"> Provide status and results summary Identify questions and requests Propose plan for next week 	<ul style="list-style-type: none"> Review material in advance if provided Actively engage to improve the value of the outcomes
Final Presentation: Week of March 5, 2018	Face to Face Meeting <ul style="list-style-type: none"> Review Statement of Work Present final outcomes Identify future opportunities 	<ul style="list-style-type: none"> Prepare presentation Archive files Deliver and share insights with Client Capture changes for final report. 	<ul style="list-style-type: none"> Bring in decision makers to actively engage students Where appropriate, share how Client plans to use the University work
Final Report: One week after Final Presentation	<ul style="list-style-type: none"> Email revised presentation, Report, and detailed notes Close Project Receive project feedback If agreed, prepare project page and/or E-News story 	<ul style="list-style-type: none"> Send final report and Client feedback survey Send request for web E-News story of project 	<ul style="list-style-type: none"> Provide survey feedback If agreed, provide permission for E-News story when available