



Mid-Columbia Economic Development District

**MCEDD Loan Administration Board Meeting**  
**Tuesday, February 16, 2021**  
**8:00am**

Remote only

Please call (541) 296-2266 or email [ami@mcedd.org](mailto:ami@mcedd.org) for Zoom Meeting details

**AGENDA**

<b><u>Topic</u></b>	<b><u>Estimated Time</u></b>	<b><u>Item</u></b>
Call to Order, Introductions		
Loan Administration Board Minutes <i>February 2, 2021 and February 9, 2021</i>	5 minutes	Approval
Loan Request <i>Wind Valley Lodges, LLC (Tenzen Hot Springs Overnight Cabins)</i>	20 minutes	Approval
Funded Loans Updates		
<b><i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i></b> <i>Regular Session Reconvened</i>		
Loan Actions	5 minutes	Decision
Staff Updates		
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.

## **Executive Session Protocol**

### **MCEDD Loan Administration Board**

After discussion agenda items are presented in open session by MCEDD staff, the LAB Chair will state the following: "Pursuant to ORS 192.660(f), Exempt Documents, I call the Executive session of the MCEDD Loan Administration Board to order".

LAB Chair asks all non-staff and non LAB members to leave the meeting. Staff will explain to visitors where they can wait and that they will be invited into Executive Session when their agenda item will be discussed.

For each discussion item on the agenda for Executive Session, the LAB Chair will follow the following procedural steps:

1. Invite the loan applicant (or their representative) into the Executive Session for the presentation of their loan request. LAB Chair requests a brief presentation from MCEDD staff on a summary of the loan proposal or other discussion item.
2. After presentation of information by staff, the LAB Chair asks if there are any questions for the loan applicant or MCEDD staff.
3. Following questions and discussion by the LAB, the loan applicant (and/or their representative) is asked to leave Executive Session with instruction that they will be invited into the Open session when Executive Session is adjourned.
4. LAB Chair asks LAB members if there is any discussion related to loan request that needs to take place before inviting the next loan applicant or other persons in to Executive Session for the next discussion item.
5. Additional discussion between the LAB members takes place then Steps 1-5 are repeated for each following discussion item for Executive Session.

At the end of discussion, the LAB chair will close the Executive Session. The LAB moves back to open session. At this point, the LAB Chair asks for a motion on the decision items in open session. Following a proper motion (motion and a second), the LAB chair requests discussion on the motion. Following any discussion, the LAB chair request a vote ("all those in favor, signify by saying aye" "all opposed signify by saying nay" "any abstentions?"). Staff may ask for a roll-call vote, if the responses are unclear

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

Tuesday, February 2, 2021

Virtual Only

**ATTENDANCE**

BOARD: Scott Clements, Joe Dabulskis, AJ Tarnasky, Bob Hamlin, Dillon Borton, Steve Kramer, Dave Sauter

STAFF: Jessica Metta (Executive Director), Israel Ayala Guevara (Loan Fund Manager), Ami Beaver (Assistant Project Manager), Jill Brandt (Administrative Assistant)

GUESTS: Kevin Waters, Skamania EDC; Derek Edwards, Nick and Nanae Yoshida, Wind Valley Lodges, LLC

**CALL TO ORDER**

Bob Hamlin called the meeting to order at 8:02 a.m. A quorum was present. A round of introductions took place. Bob Hamlin requested declaration of any conflicts of interest. None were noted.

**MINUTES**

**Steve Kramer motioned to approve** the minutes from January 5, 2021. Scott Clements seconded the motion. Motion passed unanimously.

**LOAN REQUEST: WIND VALLEY LODGES LLC (TENZEN HOT SPRINGS OVERNIGHT CABINS)**

Israel Ayala Guevara noted that discussion would focus on a loan request from Wind Valley Lodges, LLC, proposing an overnight cabin and hot springs resort in Home Valley, WA.

Nick and Nanae Yoshida were introduced and gave some family background pertaining to the history of their loan application. This project has been proposed for a long time, and there has been community awareness and discussion about this proposal.

**EXECUTIVE SESSION**

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:08 a.m.

Joe Dabulskis joined the meeting.

Regular session reconvened at 8:58 a.m.

Dillon Borton and Dave Sauter left the meeting at 9:00 a.m.

**LOAN ACTION: WIND VALLEY LODGES LLC (TENZEN HOT SPRINGS OVERNIGHT CABINS)**

No action at this time. The board requests staff work with the client on the following items and reconvene to discuss as soon as items are available for review.

- Documented verification that contractor is licensed and bonded.

- Assignment of a lease from SKS Management, LLC to Wind Valley Lodges, LLC in place for as long as the amortization of the note, and landlord waiver for well access.
- Property appraisal.

Additionally, the board requests review of the SKS Management/ Wind Valley Lodges lease by MCEDD legal counsel.

*Discussion: Scott Clements noted a high level of enthusiasm about the proposal on the part of the board. He said there are some loose ends that the board would like to tie up and indicated the board was agreeable to a special meeting to move the project forward as soon as possible. Nick Yoshida said the good news is that they can have the contractor provide documentation on licensure and bonding and that there is a template agreement for sharing the geothermal well between the entities through the different phases of their vision for the project. He noted an appraisal on the property has been done and can be provided. AJ Tarnasky noted a landlord waiver will still need to be in place. Nick Yoshida noted the lease agreement does have an easement embedded in it. Jessica Metta said staff will work with the client to turn things around quickly. AJ Tarnasky asked Israel Ayala Guevara to email the client a bulleted list formalizing the request of what is needed to move forward. Scott Clements thanked the client for working through these items with the board.*

#### **UPDATES AND FUNDED LOANS REPORT**

Israel Ayala Guevara noted he had some updates to share in Executive Session.

#### **EXECUTIVE SESSION**

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 9:04 a.m.

Regular session reconvened at 9:06 a.m.

#### **OTHER NEW BUSINESS**

No other new business.

#### **ADJOURN**

Meeting adjourned 9:07 a.m.

*Respectfully submitted by Ami Beaver, Assistant Project Manager*

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

Tuesday, February 9, 2021

Virtual Only

**ATTENDANCE**

BOARD: Scott Clements, Joe Dabulskis, AJ Tarnasky, Bob Hamlin, Dillon Borton, Steve Kramer, Dave Sauter, Les Perkins

STAFF: Jessica Metta (Executive Director), Israel Ayala Guevara (Loan Fund Manager), Ami Beaver (Assistant Project Manager), Jill Brandt (Administrative Assistant)

GUESTS: Kevin Waters, Skamania EDC; Derek Edwards, Nick and Nanae Yoshida, Wind Valley Lodges, LLC

**CALL TO ORDER**

Bob Hamlin called the meeting to order at 8:02 a.m. A quorum was present. A round of introductions took place. Bob Hamlin requested declaration of any conflicts of interest. None were noted. Scott Clements took over as Chair.

**MINUTES**

Bob Hamlin **motioned to approve** the minutes from February 2, 2021. Dave Sauter seconded the motion. Motion passed unanimously.

**LOAN REQUEST: WIND VALLEY LODGES LLC (TENZEN HOT SPRINGS OVERNIGHT CABINS)**

Israel Ayala Guevara noted the board would discuss follow up on items requested by the board at the last meeting from Wind Valley Lodges, LLC.

**EXECUTIVE SESSION**

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

Regular session reconvened at 8:24 a.m.

AJ Tarnasky joined the meeting at 8:09 a.m. Bob Hamlin took over as Chair.

**LOAN ACTION: WIND VALLEY LODGES LLC (TENZEN HOT SPRINGS OVERNIGHT CABINS)**

AJ Tarnasky **motioned to approve** the request by Wind Valley Lodges, LLC as recommended by staff with the following conditions: a lien on the client's personal residence, waiving the appraisal requirement and verbiage in the lease agreement that includes access to the well by the lenders. Scott Clements seconded the motion. The motion passed unanimously.

**Terms:**

- Loan amount: \$500,000.00

- Interest Rate: Construction rate 4.25% for 6 (six) months. Followed by 7%.
- Loan Term: 60 months (amortized over 120 months with the balance due at the 60th month)
- Loan Payment: Interest only payments for the first 6 (six) months followed by monthly installments of \$5,805.00 of principal and interest.
- Loan Fee: \$7,500.00 (1.5% of loan amount)

Bob noted Israel could provide the applicants with more detail on the process for removing conditions or collateral later.

*Discussion:*

*Nick Yoshida asked if there was an opportunity for discussion on these conditions. He noted that the primary residence does have a line of credit tied to it and said it is uncomfortable to collateralize a personal home. He said there is a second property at Government Camp and suggested a lien on that property rather than on the primary home. Dillon and AJ noted that typically any start up or new business loan with a traditional lender will go through the SBA and a requirement on those loans is a lien on a home as an abundance of caution and the reasoning is because it is based on a financial projection and performance is not substantiated. They noted MCEDD has a long track record of being reasonable and in close communication with clients. They said there is definite risk for MCEDD and there is progress over time there can be conversation about collateral release. The desire to add the primary residence is for "skin in the game" rather than more collateral. There was discussion back and forth on the Government Camp property and the reasoning behind the personal residence. Jessica Metta noted at this point the board has stated their preference and the client has as well and it makes the most sense for staff to engage with the client to further discuss this matter.*

Bob Hamlin said the board would like to direct staff and the client to finish this conversation and come to some consensus. He asked if there were any other items for discussion. None were noted.

**ADJOURN**

Meeting adjourned 8:39 a.m.

*Respectfully submitted by Ami Beaver, Assistant Project Manager*