



Mid-Columbia Economic Development District

MCEDD Loan Administration Board Meeting
Tuesday, March 21, 2023
8:00am

Remote only
<https://us06web.zoom.us/j/81467846779>
Or call 669-900-6833, Meeting ID: 814 6784 6779

AGENDA

Topic	Estimated Time	Item
Call to Order, Introductions		
Loan Administration Board Minutes <i>February 21, 2023</i>	5 minutes	Approval
Loan Modification Request <i>Édeske Patisserie, LLC</i>	15 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> Regular Session Reconvened		
Loan Actions	5 minutes	Approval
Funded Loan Updates <i>LDB Beverage Company, Inc</i>	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> Regular Session Reconvened		
Interest Rate Policy	10 minutes	Approval
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 into 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.
6. 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 requests 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.

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

Tuesday, February 21, 2023 at 8:00am

Virtual Only

ATTENDANCE

BOARD: Scott Clements, Steve Kramer, Dillon Borton, Joe Dabulskis, AJ Tarnasky

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

GUEST: Freddy Gonzalez (Primitive Pansies)

CALL TO ORDER

Scott Clements called the meeting to order at 8:01 a.m. A quorum was present.

MINUTES

Steve Kramer motioned to approve the minutes from January 17, 2023, as presented. Joe Dabulskis seconded the motion. All voted in favor, and the motion passed.

NEW LOAN REQUEST: PRIMITIVE PANSIES

Scott asked Freddy Gonzalez if he had any comments to make to the Board on this proposal. Freddy stated that his partner Kerry has years of experience, so there is no learning curve, and the business transition will be able to pick right up and move forward quickly.

Ami asked to go into Executive Session to review the confidential materials.

EXECUTIVE SESSION:

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:03 am.

Regular session resumed at 8:35 am.

LOAN ACTION: PRIMITIVE PANSIES

AJ Tarnasky motioned to table this request to allow Ami to pursue satisfying the conditions the Board needs in order to approve this loan. Steve Kramer seconded the motion. All voted in favor, and the motion passed.

FUNDED LOAN UPDATES: LDB Beverage Company, Mid-Columbia Backflow and Tibbetts Well Drilling LLC.

Ami requested to go into Executive Session to review the confidential materials of the three named clients.

EXECUTIVE SESSION:

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:37 am.

Regular session resumed at 8:51 am.

LOAN ACTION: Tibbets Well Drilling

AJ Tarnasky motioned to allow MCEDD staff to use removal of life insurance as a requirement for Tibbett's loan in order to get updated financial statements from the client and to reamortize the amount due over the life of the loan. Steve Kramer seconded the motion. All voted in favor, and the motion passed.

There was no action on LDB or Mid-Columbia Backflow.

STAFF UPDATES

Jessica spoke about the new loan program flyers and that she and Ami are making rounds with to local banks to distribute the flyers and talk about our loan program. Staff were visiting banks on the Washington side last week and will be visiting Oregon banks this week. Jessica also noted that the pub talks that MCEDD is involved with on the Washington side will be an excellent opportunity to advertise our loan program.

Scott asked about visiting Rotary or other clubs. Jessica replied that she visited the Rotary in White Salmon last week and is scheduled to present at the Rotary and the Lions in Hood River and The Dalles.

Scott was encouraged to hear about all of the activity in the microloan program. Jessica agreed that this has been a very popular program. She noted that microloans cannot be funded out of IRP money, and larger loans are needed to make the IRP payments.

ADJOURN

Scott Clements adjourned the meeting at 8:56 a.m.

Respectfully submitted by Jill Brandt, Administrative Assistant

Memorandum

To: MCEDD Loan Administration Board
From: Jessica Metta, MCEDD Executive Director
Re: Interest Rate Review
Date: March 1, 2023

Overview

At the February 21, 2023 Loan Administration Board meeting, there was some discussion of interest rates that MCEDD charges. While the Revolving Loan Fund plans for Oregon Investment Board and Mount Hood Economic Alliance have a rate table, the Revolving Loan Fund plans for MCEDD loan funds do not. Staff feels like adoption of a table as part of an Interest Rate Policy would be helpful for staff and brings the suggestion below for LAB consideration.

DRAFT MCEDD Interest Rate Policy

Interest rates will be set based on staff analysis of cash flow and risk. Interest rates will generally be fixed for the term of the loan. MCEDD does not provide a variable or floating interest rate. Rates may vary between individual loans or be stepped to allow for specific circumstances.

MCEDD Staff Risk Category	Margin	Index – WSJ Prime Rate*	MCEDD Interest Rate*
Low	2.0 to 4.5%	4.5	6.5 to 9.0%
Medium	4.0 to 6.0%	4.5	8.5 to 10.5%
High	5.5 to 7.5%	4.5	10 to 12.0%

*The Wall Street Journal Prime Rate is subject to change. When the WSJ Prime rates changes, so do MCEDD interest rates.

Default Interest Rate: Upon default, including failure to pay upon final maturity, the interest rate on a loan agreement may increase by up to five (5) percentage points per annum based upon a year of 365 days.

Performance Interest Rate: As a performance incentive, MCEDD may authorize a reduction in the interest rate over the course of the loan, provided all loan payments are made on time, as agreed and all other loan requirements are met. This rate reduction option will generally be used with loans that are scheduled at a higher interest rate due to their risk rating since regular loan payments, communication with MCEDD staff and the lending relationship with MCEDD may mitigate factors initially contributing to a higher risk rating and higher initial interest rate.