

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
FULL BOARD OF DIRECTORS**

**Thursday, June 16, 2016
4:00 P.M.**

**Hood River Fire Station
Leonard Hay Community Room
1785 Meyer Parkway
Hood River, OR**

AGENDA

<u>Topic</u>	<u>Estimated Time</u>	<u>Item</u>
Call to Order/Introductions	5 minutes	Information
Consent Agenda	5 minutes	Approval
Approval of March 2016 Minutes (<i>White Encl.</i>)		
Approval of Youth Protection Policies (<i>Pink Encl.</i>)		
Approval of Auditor Selection (<i>Green Encl.</i>)		
Financial Report (<i>Yellow Enclosure</i>)	5 minutes	Information
Presentation of FY 2017 Budget; Public Hearing	20 minutes	Discussion
Approval of FY 2017 MCEDD Budget	5 minutes	Decision
<i>Resolution 2016-3, Adopting the FY July 1, 2016 – June 30, 2017 Budget (Enclosure)</i>		
RLF Policy for EDA funds (<i>Blue Enclosure</i>)	10 minutes	Decision
<i>Resolution 2016-4, RLF Plan Adoption (Grey Encl.)</i>		
CEDS Strategy Committee Appointments	10 minutes	Decision
<i>Strategy Committee Appointments</i>		
<i>CEDS 2017/Annual Economic Summit</i>		
Executive Director Report (<i>Lavender Encl.</i>)	10 minutes	Discussion
Regional Updates- <i>MCEDD Board members</i>	20 minutes	Discussion
Executive Committee Report (<i>Pink Encl.</i>)	5 minutes	Information
Loan Committee Report (<i>Blue Encl.</i>)	10 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i>		
<i>Regular Session Reconvened</i>		
Project Manager Reports (<i>Salmon Encl.</i>)	(time permitting)	Information
New Business	10 minutes	Discussion
Adjournment		

Accessibility: 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 least 48 hours before the meeting.

Public Comment: Individuals wishing to address the Board on items not already listed on the Agenda may do so in an orderly fashion throughout the meeting. Please wait for the current topic to conclude and raise your hand to be recognized by the Chair for direction. Speakers are asked to give their name and address and to limit comments to three minutes unless extended by the Chair.

Agenda Times: Times on the agenda are approximate. The Chair reserves the opportunity to change the order and time of agenda items if unforeseen circumstances arise.

Consent Agenda: Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the Board to spend its time and energy on the important items and issues. Any Board member may request an item be “pulled” from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda following the end of the action items.

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
BOARD OF DIRECTORS MEETING
THURSDAY, March 17, 2016

BOARD MEMBERS: Ken Bailey, Jan Brending, Bob Benton, Bob Hamlin, Stephanie Hoppe, Robert Kimmes, Mary Kramer, Sue Knapp, Steve Maier, Carol MacKenzie, Gabriel Muro, Dana Peck, and Eric Proffitt

STAFF: Amanda Hoey (Executive Director), Eric Nerdin (Loan Fund Manager), Jacque Schei (Project Manager), Michele Spatz (Project Manager), Jessica Metta (Project Manager), and Sherry Bohn (Office Administrator)

GUESTS: Carin Agren (Ground Coffee, LLC) and Mike Van Sisseren (Ground Coffee, LLC)

CALL TO ORDER/INTRODUCTIONS:

Jan Brending called the meeting to order at 4:00 p.m. A quorum was present. A round table of introductions took place.

LOAN CLIENT PROFILE: GROUND COFFEE, LLC

Eric Nerdin introduced Carin Agren and Mike Van Sisseren from Ground Coffee, LLC. Carin explained that she is a MCEDD loan client and the process by which they created their business and their product line. She also explained that with the recent help of an additional MCEDD loan they purchased Doppio, a second coffee house down the street from Ground Coffee. Carin also explained their financial success, obstacles and future goals. Mike explained the roasting and wholesale bean aspects of the business. Eric Nerdin stated that Carin and Mike were great customers and one of his very first loan clients.

CONSENT AGENDA:

Approval of February 11, 2016 MCEDD Minutes
Appointment of Budget Committee/Officer
Budget Process Approval
PNMP Appointment

Motion to approve the consent agenda made by Bob Benton. Mary Kramer seconded the motion. Motion carried unanimously.

FINANCIAL REPORT:

Amanda Hoey presented the finance report for the period ending January 2016, reporting that MCEDD remains in a strong financial position with our biggest concerns relating to the volatility of the RLF program. She noted, however, that we are seeing a continuing trend of new loans. She highlighted special projects, noting that we have covered all Project Management staff with those already under contract.

Amanda reported that our accounts receivable look very good and 100 percent of the local dues have been collected. She also noted that Expenses for Other Materials and Supplies are high due to FY 17 expenses included, but also for expenses for dues.

Motion to accept the financials as presented was made by Bob Hamlin. Steve Maier seconded the motion. Motion carried unanimously.

CEDS PROJECT PRIORITIZATION

Jan Brending explained that annually, the MCEDD Board, acting as the CEDS Strategy Committee, prioritizes Public Works and Technical Assistance projects for incorporation to the MCEDD CEDS. Amanda explained the projects, the purpose of project prioritization and the projects submitted for consideration of inclusion and ranking in the regional strategy. Included in the ranking criteria, Amanda noted Joeinne Caldwell's request to consider economic distress in the economic impact criteria and stated that staff analysis took this into account. Amanda noted that the projects were solicited through MCEDD's local partners and then ranked by MCEDD's county economic development entities prior to submission. She also noted that projects were encouraged to be listed on the Agora Investment Platform.

Amanda requested the Board approve all projects that will be incorporated into the MCEDD CEDS update. She also requested the Board establish regional priorities for incorporation into the Mid-Columbia region's CED by determining the top ten Technical Assistance and Public works projects in Oregon and Washington.

Discussion: Bob Benton stated that the Hood River workforce housing project is nebulous but that it was important to keep the Hood River workforce housing project as a place holder. Amanda Hoey stated that next year will include a major rework of the CEDS and will allow an opportunity for a deeper conversation on this and other issues. Jan Brending explained the importance of having projects on the list. Ken Bailey stated that the ranking of the Hood River workforce housing project in the number two position raises the awareness and importance of the issue. Amanda Hoey noted that the Hood River Economic Development Group wanted to tie the two bridges' projects together but the staff draft includes them as distinct projects. She also noted the importance of the Cascade Locks truck route. Amanda reported on the discussions at the Connect Mid-Columbia meeting and the impact to the draft regional ranking of the projects. Jan Brending stated that the Connect Mid-Columbia meeting was an effective meeting that included the important discussion of regional transportation issues. Steve Maier noted the need of the Cascade Locks truck route in relation to business growth. Jan Brending noted the importance of the Columbia Gorge Regional Airport aircraft de-icing area that was discussed at the Connect Mid-Columbia meeting. Bob Hamlin reported on the status of the Wind River Business Park water and wastewater projects. Ken Bailey noted the ability of the board to move projects into the top ten should the need arise later. Steve Maier asked why the de-icing areas were needed at the Columbia Gorge Regional Airport and any connection it might have to Life Flight. Amanda reviewed the submission from the County for that project. The board asked about the position of the small cities water projects and Amanda referred to the County priorities as well as noting that some may seek USDA funds. She reviewed the importance of the new strategic community and economic development set aside from USDA that ties to our regional strategy.

Motion to accept all the projects in the CEDS and the ranking as presented by staff was made by Bob Benton. Mary Kramer seconded the motion. Motion carried unanimously.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Amanda Hoey noted that the MCEDD Board, acting as the CEDS Strategy Committee, is responsible for updating the CEDS annually. She noted that an update is a less intensive process than a full CEDS revision, which is done once every five years and was last completed in September 2012. Amanda Hoey presented an overview of this year's update. Minor updates included updating economic profiles, updating the strategy committee membership and other minor edits. Larger updates include modification to assets related to Transportation and Location Advantages, updates to challenges to consolidate all transportation challenges under one heading and to incorporate language from the Connect Mid-Columbia process. In addition, all strategies were updated, as appropriate, to reflect the current status, with the largest work to the infrastructure goal. Finally the outcomes and status of projects was updated and the projects adopted today will be included.

Motion to adopt Resolution 2016-2 CEDS Adoption was made by Eric Proffitt. Ken Bailey seconded the motion. Motion carried unanimously.

LOCAL DUES ASSESSMENT:

Jan Brending presented the Executive Committee's recommendation for FY17 dues. Annually the MCEDD Board must vote on assessment of dues for the next fiscal year. Jan reported that the Executive Committee had recommended continuation of the current dues schedule into FY17 with no changes from the prior year. However, the Executive Committee will analyze a potential increase in FY18 to ensure MCEDD can maintain service levels and leverage federal funding.

Motion to continue the current dues schedule into FY 17 with no changes from the prior year was made by Steve Maier. Bob Benton seconded the motion. Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT:

Amanda Hoey reported that MCEDD Loan Administration board approved a \$30,000 loan to Seckora Consulting, LLC for working capital and a \$20,000 loan to the Little Huckleberry Food Truck for startup of a food truck business. She also reported that the House Transportation and Infrastructure Committee unanimously approved the bipartisan Public Buildings Reform and Savings Act of 2016. She reported that the bill includes language that authorizes the U.S. Economic Development Administration to release the federal government's interest in connection with a grant not less than seven years after final disbursement of the grant. She noted that this bill has been referred to the House Financial Services Committee which will need to take action before the bill can come to the House floor for a vote. She noted that this bill is of particular concern to MCEDD's loan fund programs. Amanda reported that staff for Senator Merkley had identified a potential account for the Oregon and Washington Investment Board appropriations: Rural Development, Forestry and Communities, CDFA number 10.672. She noted that it is authorized through Rural Development Through Forestry. The identification of this account provides a potential path forward for the funding.

Amanda reported that MCEDD received its annual planning grant invitation from the EDA for the upcoming year. She noted that the planning grant is MCEDD's primary base of funding and that MCEDD has been invited to apply for \$80,000 this year. Amanda noted that the scope of work will heavily focus on the major rework of MCEDD's Comprehensive Economic Development Strategy, which is due in 2017. She noted that MCEDD will retain core implementation elements, including support for industry clusters and broadband development. Amanda reported that the grant request had been submitted today.

Amanda reported that on February 24th MCEDD was pleased to host all of the State Directors for the US Department of Agriculture from across the nation as well as DC staff, including the Undersecretary. She stated that MCEDD was honored to have been selected for the visit, which was part of their "Finishing Strong" conference in Portland. Amanda reported that she presented on the regional strategic economic development plan, industry clusters, Agora Investment Platform and development throughout the region. Carrie Pipinich presented on broadband initiatives and Jessica Metta briefly introduced the Gorge Tech Alliance. Amanda noted that MCEDD was able to highlight MCEDD loan clients Pfriem and Brigham Fish Products with site visits and MCEDD loan client Boda's catered the lunches. She also noted that the group was able to converse with Jenny Taylor from Insitu during its final stop. Amanda extended her appreciation to Board Chair Jan Brending for joining on the final stop and Board member Robb Kimmes who provided the space at Skyline Hospital. Jan provided highlights from the visit, as well. Amanda noted that there was significant interest in furthering the conversation on Agora expansion and there has also been follow-up from USDA on the housing concerns expressed by the region.

Amanda reported that the Dark Sky Campaign application was approved for a Google community grant award. She noted that the program seeks to both preserve our rural dark sky and increase energy efficiency by involving end users, lighting vendors/retailers, installers, and students through an educational program. Amanda noted that the program involves two tracks: 1) Gorge Night Sky Educational Units, geared primarily towards 4th and 5th grade students. It will include a field trip scholarship to the Goldendale Observatory for classrooms in the North Wasco County School District. 2) A workshop at the Columbia Gorge Discovery Center involving various stakeholders to provide education on lighting efficiency and dark sky initiatives.

Amanda reported that David Porter, US Economic Development Administration representative, visited the region on February 29th and toured EDA investments at the Port of Skamania and Columbia Gorge Regional Airport. Amanda noted that Board member Nick Hogan joined the tour at the Port of Skamania Riverpoint building which included a visit to Silver Star Industries and LDB Beverage who is also a MCEDD loan client.

Amanda reported that MCEDD received notification from Washington State University that their 2016 legislative budget request to include a Klickitat-Skamania Small Business Development Center advisor was not approved. She stated that MCEDD does not anticipate them to take it up again next year as WSU's legislative requests are already committed to other university needs. Amanda noted that there was perhaps a future option past 2017. She reported that MCEDD strongly supported WSU's request, as the lack of dedicated services to these two counties is a constraint to entrepreneurship and business development. Amanda requested that MCEDD Board discuss any strategy they would like to pursue in response to this news.

Mary Kramer asked if it is possible to contract with CGCC SBDC. Eric Proffitt asked if there was another agency which could provide the service. Amanda reviewed the status of previous contracts with CGCC SBDC that were the result of special funding. Jan Brending stated that she thought it would be a good idea to talk to the two counties.

Amanda reported that she had met with a representative from Fresh Starts to discuss a potential USDA Rural Business Development Grant application. She noted that the deadline is approaching for both Oregon and Washington and MCEDD would like to see some resource requests from the MCEDD region. Amanda reported that the Audit RFP was scheduled to close soon and that MCEDD had received two responses to date.

Amanda announced that she had been selected for a Marshall Memorial Fellowship with the 2016-17 Fellowship cohort. She noted that she one of only two selected from the Northwest, and the only from Oregon. The other Northwest fellow is from Seattle. She explained that the Marshall Memorial Fellowship, under the German Marshall Fund, is an international leadership development program designed to prepare leaders from both sides of the Atlantic for transatlantic relations. The program includes six months of distance learning and 24 days of first-hand experience through a transatlantic exchange. Amanda noted that there will need to be some discussion with the board regarding the travel requirements and time off.

Board members expressed their support. Dana Peck requested the Executive Committee discuss options to not require Amanda to use unpaid leave in order to participate.

REGIONAL UPDATES

Board members shared updates on items of regional interest.

Jan Brending – Jan reported that there is a new business, Carmen’s Kitchen, where Los Reyes was located. Jan also noted that White Salmon is in the process of a water rights issue. She noted that there is a deli opening, as well as the Little Huckleberry Food Truck.

Eric Proffitt – Eric reported the unemployment rate dropped to 4.3% and that there was a skilled workforce shortage. He noted that there was job expansion in the hospitality industry. Eric stated that there was a need to work with schools on workforce training. He highlighted the East Cascades Workforce Investment Board and consideration for a sector focus on beverage industries

Dana Peck – Dana reported on the status of the Gorge Tourism Studio. He noted that the Port of Cascade Locks is in discussion on raising the bridge toll. Dana reported that the Mt. Adams Chamber is going through some staff changes. He also noted the dates for the Goldendale Home Garden and Sport show and that Goldendale’s new mayor, Mike Cannon, was putting together a group to look at community issues.

Ken Bailey – Ken reported that agriculture was looking the same as a month ago. He noted that rainfall totals were up and that they were better than in previous years. Ken stated that there was still a small amount of fruit damage from 2014.

Mary Kramer – Mary reported that CGCC was preparing for the Oregon Promise Students and that they were building a lot of support services around those students to ensure those students could be successful.

Gabriel Muro – Gabriel reported that he was in the process of working with five new entrepreneur clients and that three clients had accessed loans thru MESO.

Bob Benton – Bob reported that Hood River County was working on a new cell tower ordinance and funding for a new courthouse. He noted that there will be changes on the Commission with the elections in May and that they are working with the water situation in Cascade Locks.

Bob Hamlin – Bob reported that Skamania County expected to pay off their loan and will be debt free. He noted that they have their first “grow” operation and that it is affecting other entities in the area. Bob discussed the Wind River water system and noted a discussion with the USFS regarding a potential land exchange. He also noted that there will be change on the County Commission with two open seats.

Stephanie Hoppe – Stephanie reported that local nonprofit directors meet regularly in order to collaborate. She noted that on Friday April 29th a development consultant will be at the Hood River Inn for a half and full day workshop directed toward non-profits.

Robert Kimmes – Robert reported that MCMC is in the design phase for a large addition scheduled to be completed in 2019 and that they continue to work with OHSU. He noted that Providence Hood River is going through leadership changes. Robb noted that Skyline and Klickitat hospitals are still independent hospitals. He reported that North Shore Medical group is relocating to a site on Highway 14 and that Skyline is looking to expand to those buildings.

Sue Knapp – Sue reported that there was an LOC small city support committee formed to discuss economic development for small cities. She reported that the first meeting included a presentation from Rick Leibowitz of the CGCC SBDC. She also noted that Frank Kay spoke about Maupin and the South Wasco broadband project and wastewater discussions. Sue reported that the Shearer Falls Loop was proposed as a Scenic Bikeway.

Carol MacKenzie – Carole reported on the approval of a new solar project near Klondike and that the City of Wasco was progressing on the bike fix-it station.

Steve Maier – Steve reported that sales for tech businesses are diversified and increasing. Steve noted that Insitu is rumored to want to build another building. He also reported that CII is doing a LEAN manufacturing certification training. He noted ICE was recognized by SpaceX.

EXECUTIVE COMMITTEE REPORT:

Jan Brending presented the Executive Committee report highlighting the following activities and decisions:

- Discussed the status of HR 4487.
- Discussed broadband strategies and sustainable funding mechanisms. Identified which priority activities to include.

- Recommended a level for local dues for FY17 and discussion potential revisions in FY18.
- Recommended budget committee candidates for consideration of appointment by the MCEDD Board of Directors.

Gabriel Muro left the meeting at 5:26 pm

LOAN COMMITTEE REPORT

Eric Nerdin reported that in the month since the MCEDD board met last, a \$30,000 loan funded to A & R Market, Inc. dba Maupin Market for working capital and a \$65,000 loan funded to Baseline Brewing, LLC to help with the purchase of the next door building to provide more storage space and other opportunities for expansion.

He noted that there were no unscheduled early loan payoffs during the past month and the pipeline of loan prospects, applications and approved, yet unfunded, loans remain at above average levels. The trend of increased inquiries and loan applications continues during this reporting period. There are still a few MCEDD loan clients that have informed staff that they are looking at the possibility of refinancing their MCEDD loans, but staff has been hearing this for months from some of them, so it is unclear if or when these early pay offs will occur.

Eric also reported that there had been an increase in interest in the Cascade Locks/Hood River Enterprise Zone and that he had been working on outreach to the various communities in the MCEDD region.

PROJECT MANAGER REPORTS

Michele Spatz highlighted the following:

- The Dalles Transportation System Plan (TSP) update now includes a Transit Development Plan that will assess the need for and feasibility of fixed route service in The Dalles.
- Michele reported that the Hood River County Transportation District hired its first bilingual driver. She also noted that the District is also set to send out an RFP for a consultant to conduct its Hood River County Transportation Master Plan. The Plan will look at the efficiency and productivity of current routes and identify opportunities for public transit service along with assessing the feasibility of any proposed changes in service.
- Michele reported that she partnered with Enterprise Van Pool to present a comprehensive transportation options outreach event for Insitu employees at their Bingen Point location on March 16th. She also reported that she shared information, including service hours and schedules, of Gorge TransLink Alliance members at the February 11 meeting of the Skamania Klickitat Community Network.
- Michele reported that transportation surveys were distributed to over a dozen human services agencies across the three counties to gather input from both staff and clients about their transportation needs. The survey period runs from March 7 – 18. Simultaneously, on board surveys were conducted for riders of Columbia Area Transit (Hood River County Transportation District), The LINK (MCCOG's Transportation Network, Wasco County) and Sherman County Community Transit.

Jacque Schei highlighted the following:

- Jacque reported that Wasco County, on behalf of Mid-Columbia Center for Living (MCCFL), was awarded a CDBG grant of \$2,000,000 to support MCCFL in building a

Community Mental Health facility. She noted that MCCFL will match the CDBG funding with reserves and a commercial loan for the difference of the cost of the new building. Jacque reported that MCEDD has an agreement with the County to serve as the Grant Administrator for the grant. She noted that she has been learning about federal and state requirements affecting the project in order to serve as a main contact to coordinate grant activities, ensure the County meets the conditions of the grant contract, monitor progress of the project, and ensure that contractors fulfill contractual obligations. The project is currently in the Environmental Review stage.

- Jacque reported that the City of Antelope was awarded a CDBG grant of just over \$1 million to support an update of its deficient water system. MCEDD has an agreement with the City to serve as the Grant Administrator for the grant. Jacque reported that the project is in its early stages and the subcontract for the Environmental Review work was finalized the last week of February.

Jessica Metta highlighted the following

- Jessica reported that she will be working with the County and partners to assist in completion of Sherman County's projects submitted to MCEDD's CEDS list.
- Jessica noted that she is working with partners to plan the GTA's third annual STEM Career Day. She reported that 880 seventh graders from around the MCEDD region will come to CGCC in The Dalles on April 29 to hear presentations about local careers in science, technology, engineering and math. Jessica reported that additional business presenters are needed and asked if MCEDD Board members had suggestions.
- Jessica reported that work is progressing on the April 30th Wind Challenge event at The Dalles Civic. Jessica noted that she is working with Jacque, Google and CGCC partners to organize the event. Jessica reported that middle and high school teams can register at windchallenge.org until March 18 to participate in this free and fun event. She also noted that volunteers are being recruited and MCEDD Board members are welcome.

Amanda Hoey highlighted the following for Carrie Pipinich

- Amanda reported that staff continues to work with Q-Life, SWA, and the Wasco County EDC to support finalizing funding sources and moving the Maupin Fiber Project forward. She also reported that staff is working with partners around continued engagement with CenturyLink related to Connect America Funds to be invested in the region. Additionally, staff was able to convene interested parties in Klickitat County for a Broadband Workgroup meeting.
- Amanda reported that Dufur was invited to submit a Letter of Interest to Safe Drinking Water RLF program for a water system assessment.
- Amanda reported that staff submitted a concept proposal to Oregon Department of Agriculture for additional support for the Cider Society. She noted that this year's proposal focused further into education of cider consumers, continued industry association development, and further marketing efforts.
- Amanda reported that the EDG came together in February to prioritize projects to be submitted to the CEDS process. She noted that staff presented these priorities to the Hood River County Board of Commissioners for their input and approval. The EDG also discussed input opportunities for the Oregon Governor's Transportation Visioning Forum. Amanda also reported that the EDG group has also moved toward a structure that

incorporates a rotating chair from the member organizations. The City of Hood River's City Manager Steve Wheeler has agreed to serve in this role for 2016.

NEW BUSINESS

Bob Benton noted that the Oregon state mandated minimum wage increase will have a major impact on agriculture.

ADJOURNMENT: Meeting adjourned at 5:45 p.m.

*Respectfully submitted,
Sherry Bohn, Office Administrator*

MEMORANDUM

Date: May 5, 2016
To: MCEDD Executive Committee
From: Amanda Hoey, Executive Director
Re: Youth Protection Policies

Overview

As the programs MCEDD operates continue to change to meet the needs of regional economic development, we have entered into projects that have a higher degree of potential interaction with youth. As such, it is necessary for us to consider adopting formal youth protection policies. Attached are policies reviewed and recommended by staff and the MCEDD Executive Committee. They mirror those approved for the Gorge Technology Alliance. For further discussion on the policy development, see the May Executive Committee meeting packet.

Request (Consent Agenda)

Adopt the attached Youth Protection Policies.

MCEDD Conditions of Volunteer Service

Activity: _____ Date(s): _____

As a volunteer working with the Mid-Columbia Economic Development District (MCEDD), this document outlines the conditions of your volunteer service, assumption of risk and the extent to which you may be covered by MCEDD insurance. Please read carefully and sign both sides to acknowledge the conditions of volunteer service and to assume the risks associated with your volunteer activity (hereafter referred to as ACTIVITY).

TORT LIABILITY

MCEDD will indemnify and defend you against civil actions for injuries or damage to the person or property of others, subject to the following general conditions: (1) You are working on a MCEDD task assigned by an authorized MCEDD supervisor; (2) You limit your actions to the duties assigned (defined in the assigned duties section below); and (3) You perform your assigned tasks in good faith, and do not act in a manner that is reckless or with the intent to unlawfully inflict harm to others.

WORKERS' COMPENSATION INSURANCE

Workers' compensation coverage is not provided for volunteers of MCEDD.

RULES AND REGULATIONS

You will conduct yourself in a manner that is considerate of other participants and in accordance with MCEDD Rules and Regulations (including Code of Conduct, when applicable) and with any state, city and applicable laws or rules where the ACTIVITY is occurring.

RECORDED MEDIA

I recognize and acknowledge that the MCEDD may record my participation and appearance on any recorded medium including, but not limited to video, audio, photos (collectively, "recordings") for use in any form (including, but not limited to print, websites, blogs, internet, social media). I authorize such recording and release the MCEDD to use my name, likeness, voice, and biographical material to exhibit or distribute such recordings in whole or in part without restrictions or limitations for any educational or promotional purpose. If you would like to opt out of this section, please request a release from your MCEDD supervisor.

REPORTING RESPONSIBILITY

Any time you are involved in any accident or exposed to a potential liability situation while performing assigned duties, you MUST inform your MCEDD supervisor as soon as possible. The supervisor must contact MCEDD at 541-296-2266 within 24 hours.

ASSIGNED DUTIES (Describe below or attach additional sheet. Forms cannot be accepted without this information.)

TOTAL VOLUNTEER HOURS: _____ Estimate total hours for the duration of this activity, up to 12 months.

I HAVE READ AND UNDERSTAND THE ABOVE DUTIES AND CONDITIONS OF VOLUNTEER SERVICE.

Volunteer Name (Please print):
Telephone Number:

Full Mailing Address:
Email Address:
Volunteer Signature:
Date Signed:
MCEDD Supervisor Name:
MCEDD Supervisor Signature:
Date Signed:

VOLUNTEER ASSUMPTION OF RISK

With full knowledge of the facts and circumstances surrounding the ACTIVITY, I voluntarily participate in the ACTIVITY and assume the responsibilities and risks resulting from my participation. As an authorized MCEDD volunteer, I understand that MCEDD will provide liability coverage as detailed previously. I, for myself, my heirs, executors, administrators and assigns, waive, release and forever discharge the Gorge Technology Alliance and its respective board members, officers, employees, agents and volunteers from any and all demands or claims for damage or injury, from any cause of suit or action, known or unknown, that I may have against the Gorge Technology Alliance or its board members, officers, employees, agents or volunteers, including but not limited to from all liability under the Oregon Tort Claims Act, ORS 30.260 – 30.300, and for any and all harm or damage to my health in any matter resulting from or arising out of my volunteer activities. This release does not extend to or waive any rights I may have under the Oregon Tort Claims Act, ORS 30.260 – 30.300 to defense and indemnification from any demand, claim, suit or action brought against me, or liability I may be subject to, or arising out of my authorized volunteer activities.

I certify that there are no health-related reasons or problems that preclude or restrict my ability to volunteer for the MCEDD. I understand that an emergency may develop which necessitates the administration of medical care. Therefore, in the event of injury or illness, I authorize the MCEDD to facilitate means to secure appropriate medical treatment. I understand that such treatment shall be solely at my expense. Notwithstanding this paragraph, I understand and agree that the MCEDD has no obligation to provide or seek out any medical treatment. I also authorize the MCEDD to contact the individual identified as an emergency contact in the case of an emergency.

Emergency Contact Name: _____

Telephone Number: _____

I declare that I am eighteen years of age or older, that I have read this entire agreement and understand the above provisions and that I agree to be bound by them.

I understand that by signing this agreement I am releasing claims and giving up substantial rights, including my right to sue.

Volunteer Name (please print): _____

Volunteer Signature: _____ Date: _____

REQUIRED FOR ALL PARTICIPANTS UNDER 18 YEARS OF AGE:

PARENT OR GUARDIAN'S AUTHORIZATION FOR MEDICAL CARE AND CONSENT TO AGREEMENT

I, _____, as a parent or legal guardian hereby grant permission

for _____ to do volunteer work for the MCEDD. In the event of an emergency, accident, or illness, I authorize the MCEDD and its employees to administer emergency medical care to my child and, if deemed necessary, to secure emergency medical services and incur expenses for which I will be responsible for payment. My signature below hereby represents that I have read, understand, and consent to this agreement.

Parent or Guardian Signature: _____ Date: _____

Note: Complete a new form every 12 months for on-going volunteer service, or when volunteering for a different activity, or when volunteer duties change.

MCEDD Volunteer Code of Conduct

The purpose of the Volunteer Code of Conduct is to promote the safety and well-being of all Mid-Columbia Economic Development District (MCEDD) program participants. The opportunity to represent MCEDD is a privileged role to be held by those who are willing to agree to behaviors that fulfill this trust.

In my MCEDD volunteer role, I agree to:

1. Represent the mission of MCEDD and promote equal opportunity for MCEDD programs. Programs are accessible without regard to race, color, religion, gender, sexual orientation, national origin, age, marital status, disability, or veteran status.
2. Obey local, state and federal laws.
3. Accept support and/or supervision from program representatives.
4. Treat others courteously. Be a positive role model. Exhibit good sportsmanship.
5. Establish and maintain safe environments for all participants. Act responsibly to protect participants.
6. Provide for physical and emotional needs of participants during programs. Not withhold necessities nor use physical punishment. Communicate that verbal, emotional, or physical mistreatment (e.g., humiliation, isolation) during the program is unacceptable. Report suspected abuse to protect those who cannot protect themselves.
7. Not consume alcohol, marijuana, or illicit drugs, nor be under those influences, while responsible for youth or MCEDD programs.
8. No adult should be the only adult present with one (or more) children under 18. Having at least two adults within sight at all times when a child is present ensures that help will be available in the event of an emergency and may provide clarity in assessing and reporting safety concerns or questionable incidents.

I have read, understand, and agree to the MCEDD Volunteer Code of Conduct above. I understand that MCEDD may determine individual suitability to volunteer in its programs. I will comply with those decisions. I understand and agree that any action on my part that contradicts any portion of these expectations may be grounds for non-acceptance, suspension or termination of my volunteer role with MCEDD programs.

Volunteer Applicant Signature: _____ Date: _____

Code Violations

Any adult volunteering with MCEDD who is aware of a violation of this Code, or who is in doubt about whether or not a behavior is appropriate, is required to immediately consult a MCEDD Supervisor, and if satisfied with the guidance provided, to act in accordance with it. If the individual seeking guidance is not satisfied with the guidance or if a MCEDD Supervisor is the potential violator, the individual is required to contact the MCEDD Executive Director.

The following behaviors ordinarily constitute violations of this Code.

- Engaging in any activity that endangers the safety, security, or integrity of a child; deliberately makes a child feel shame or humiliation; or demeans a child, such as making threatening remarks or behaving in a manner that deliberately intimidates or frightens a child.
- Engaging in personal exchanges such as phone calls, e-mail, texting, social networking, etc., with a child outside the context of MCEDD activities, educational matters, or career concerns. A copy of written communications with a child should ordinarily be provided to a parent, guardian, or second adult working with the child.
- Engaging a child in activities that are not related to the MCEDD activity for which the volunteer is approved, educational matters, or career concerns; or spending personal time with a child outside of MCEDD program activities (unless the adult is a family member or family friend).
- Keeping any activities with a child secret; encouraging a child to keep any activities secret; or deliberately concealing activities from parents, guardians, or other adults working with the team.
- Making sexually explicit remarks; showing or displaying sexually explicit material; inappropriate physical exposure or contact; or using offensive language or gestures.
- Failure to follow the Communication and Reporting Requirements.

The previous list is intended to set behavioral boundaries that will protect children and adults participating in MCEDD activities from engaging in activities that might place them at risk. The behavior of all adults working in MCEDD programs should be (and should appear to be) well within the bounds of appropriate conduct. This will not only protect the children, but may also protect adults from false accusations of misconduct.

Although we hope that both children and adults participating in MCEDD activities will develop positive, supportive relationships, the adult has primary responsibility for establishing and maintaining appropriate physical and emotional boundaries.

Individuals seeking to exploit children are known to use mentoring roles to create unhealthy relationships. Participants in MCEDD activities must be aware of this risk and if they have concerns about possible unhealthy relationships or efforts being made to form unhealthy relationships, they are required to report their concerns to a MCEDD Supervisor or MCEDD Executive Director.

Child Abuse Defined

For purposes of the MCEDD Code of Conduct, a “child” is defined as any person under 18. An “adult” is anyone 18 or older.

The majority of reported acts of child abuse are committed by someone the child is related to or knows and trusts. The fact that a parent, guardian, or relative of a student may be participating in a MCEDD activity in no way precludes the possibility of him or her engaging in abusive behavior.

Child Emotional Abuse

Emotional abuse is behavior toward a child that is demeaning or disrespectful. Examples include verbal threats, social isolation, intimidation, unreasonable demands, or the intentional damaging of a child’s self-esteem.

Child Physical Abuse

Physical abuse is defined as the non-accidental use of physical force against a child in such a way that the child either sustains bodily injury or is at risk of bodily injury, however slight.

Child Sexual Abuse

Child sexual abuse is defined as any form of sexualized interaction involving a child and a more powerful individual (age, size, knowledge). Child sexual abuse may occur through inappropriate physical contact, as well as through behaviors that do not involve actual physical contact, for example, inviting a child to view pornography. Experts estimate that 30 to 50 percent of all acts of child sexual abuse are committed by children under 18 victimizing a younger, smaller, or less able child.

Individuals who seek to sexually abuse or exploit children frequently attempt to gain access to children through youth serving organizations. These individuals may spend months purposely building an emotional connection with a child or group of children and work to make inappropriate behavior seem normal. They are often socially skilled and adept at giving convincing excuses when confronted with inquiries about having overstepped normal boundaries.

Communication and Reporting Requirements

Protecting children participating in MCEDD activities from injury requires knowledge, judgment, and diligent oversight by adults who make it a priority to promptly report any concerns about potentially inappropriate behavior, and who listen carefully to indications or disclosures of behaviors or conditions that might lead to abuse or otherwise be unsafe.

Any adult participating in a MCEDD activity who believes that a child may be the victim of, or at risk of, child abuse (emotional, physical, or sexual) from any source is required to immediately report their concerns. The individual reporting the possibility of abuse should not attempt to conduct an investigation or confront the suspected offender, even if he or she knows the person well.

The report should be made to the state or local government child protection agency, or to the local police. If the MCEDD activity is through a hosting school or organization and they have established procedures for reporting child abuse, those reporting procedures should be followed. The MCEDD should be notified (to the extent the agencies involved and the hosting school or organization permit this).

While volunteers in Oregon and Washington are not mandated to report suspected cases of child abuse, the MCEDD strongly encourages its volunteers to report issues of suspected child abuse to their state child protection agency.

MCEDD is available to advise any individual with concerns about the safety of children in MCEDD programs and may be contacted directly and anonymously if information or guidance is needed. All information regarding complaints or incidents of Code violations is treated as private information, including the identity of the individual making the report. Information will only be disclosed as required by law.

Individuals who fail to adhere to the Code may be excluded from working in MCEDD programs and at MCEDD events.

Contacts

MCEDD Executive Director; 541-296-2266 or amanda@mcedd.org

MCEDD Finance and Operations Director; 541-296-2266 or sherry@mcedd.org

Oregon Child Protective Services: 1-855-503-SAFE (7233)

Washington Child Protective Services: 1-866-ENDHARM (1-866-363-4276)

Memorandum

Date: May 5, 2016
To: MCEDD Board of Directors
From: Amanda Hoey, Executive Director
Re: Auditing Services

Overview

MCEDD received three responses to the Request for Proposal for Auditing Services submitted by the deadline. Firms responding include:

- Kern and Thompson, LLC
- Lewis, Poe, Moeller, Gunderson & Roberts, LLC
- Onstott, Broehl & Cyphers, PC

The MCEDD Executive Committee discussed these three proposals. The consensus of those attending was to recommend selection of Lewis, Poe, Moeller, Gunderson & Roberts, LLC. The recommendation was based on their experience with similar entities and the desire to provide for periodic changes in our audit firm to provide a fresh set of eyes on our controls and financials.

Summary of Responsive Firms

Kern and Thompson, LLC

Key Personnel: Richard Proulx, Kris Oliviera, and Eric Zehntbauer

Total Rate (4 years): \$68,700

Kern and Thompson, LLC is a firm based in Portland that performs audits for several government entities, which include the requirement of single audit. Based on their submitted proposal we cannot determine whether or not they have completed audits with loans funds or with EDA funds. Prior audits performed included the City of Seaside, Port of St Helens, Oregon State Bar Professional Liability Fund, Oregon Secretary of State Agency Program Audits, and others. Kern and Thompson, LLC stated that they received a peer review (a system of quality control for the accounting and auditing practice) in April 2015. They received a *pass* (the highest possible rating).

Lewis, Poe, Moeller, Gunderson & Roberts, LLC

Key Personnel: Yvonne Roberts, Mindy Davis and Michelle Long

Total Rate (4 years): \$54,199 (estimate based on CPI increases)

Lewis, Poe, Moeller, Gunderson & Roberts, LLC is a firm based in La Grande, OR that performs audits for several government entities, which include the requirement of single audit. Prior audits performed included Northeast Oregon Economic Development District, Greater Eastern Oregon Development Corporation, Community Connection of NE Oregon and Morrow Development Corporation. Based on their submitted proposal they have completed audits with loans funds and with EDA funds. The firm stated that they received a peer review (a system of quality control for the accounting and auditing practice) in May 2013. They received a *pass* (the highest possible rating).

Onstott, Broehl & Cyphers, PC

Key Personnel: Kenneth Onstott and Brien Gibson

Total Rate (4 years): \$67,650

Onstott, Broehl and Cyphers is a local firm that performs audits for several government entities, which include the requirement of single audit. They include Hood River County, Wasco County, City of Cascade Locks, and other. They have performed audits with both federal and state funding including those impacting loan programs. They have been MCEDD's auditor for more than 10 years. Onstott, Broehl and Cyphers state that they received a peer review (a system of quality control for the accounting and auditing practice) in June 2015. They received a *pass* (the highest possible rating).

Request (Consent Agenda)

Approve selection of Lewis, Poe, Moeller, Gunderson & Roberts, LLC for MCEDD auditing services.



FINANCIAL SUMMARY

FOR: April 2016

April's Balance Sheet includes variances in assets. The IRP loan fund cash balance has a negative balance for the 1020 – IRP Other, which is for the IRP regular loan funds. Due to regulations from USDA, any excess funds (over the federally insured portion) have been placed in a program through Columbia State Bank, which is the DDM program. This program places funds in other banks for collateralization purposes. These funds are “linked” to the IRP money market account at the bank. The balance of the IRP regular loan funds being held in the DDM Product is \$349,695.62, so the actual bank cash balance for IRP regular loan funds is \$280,936.30. It is noted for accounting purposes that the 1122-IRP DDM product is listed separately due to the type of bank account.

Another notable change between years is the large balance for Accrued Revenue – 1205, which is \$175,000. This balance is for a pending new loan for Loans Receivable that did not close as anticipated in April (when the check was prepared), but in May. May's entries will transfer the accrued revenue to Loans Receivable.

MCEDD's Operations Budget vs. Actual report includes differences in both Revenue and Expenses. Loan fund revenue is comprised of MCEDD's loan funds and the Housing RLF program that continue to be under budget. However, for MCEDD's programs the total amount under budget is only \$2,095.12. The remaining under budget is for the Housing RLF program, which has no lending activity. All expenses should remain below budget and it is anticipated that costs will remain less than anticipated. It is noted that expense categories that currently reflect higher than budget (Bonds & Ins – 6800 and Other Mat/Services – 6900), are also anticipated to be below budget at year-end.

Respectfully Submitted,

Sherry Wickert
Finance & Operations Manager



**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
RESOLUTION 2016-3
ADOPTING THE FY JULY 1, 2016 – JUNE 30, 2017 BUDGET**

BE IT RESOLVED that the FY 2017 Mid-Columbia Economic Development District Budget is hereby adopted.

PASSED AND APPROVED this 16th day of June, 2016.

ATTEST:

**MID-COLUMBIA ECONOMIC
DEVELOPMENT DISTRICT**

Sherry Bohn, Office Administrator

Jan Brending, Chair

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT

Budget Packet Contents

1. **Minutes** – May 12, 2016 Budget Committee Meeting minutes (White Enclosure).
2. **Budget Narrative** - Provides a written explanation of the budget and includes significant changes from the prior fiscal year (Salmon Enclosure).
3. **Budget Appropriation by Category** - Provides a summary of the proposed budget by categories (Yellow Enclosure).
4. **Historical Data** - Includes prior approved budget information for FY14-16 and the proposed budget (side-by-side) (Grey Enclosure).
5. **All Funds Budget** - Presents details of income and expense costs by class, including agency funds (Yellow Enclosure).
6. **Operational Budget** - Provides details of income and expense costs by class for operational funds only (Blue Enclosure).
7. **Local Dues** – Provides details on local dues assessment (Pink Enclosure).
8. **Salary Plan** - Provides the proposed FY17 salary rates by classification (Lavender Enclosure).
9. **Benefit Plan** - Reflects the benefits for employees proposed in the budget (Lavender Enclosure).
10. **Acronym Sheet** – Provides an overview of commonly used acronyms (White Enclosure).

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT

BUDGET COMMITTEE MEETING MINUTES

THURSDAY, MAY 12, 2016

12:00 NOON

MCEDD OFFICES
515 EAST SECOND STREET
THE DALLES, OREGON

ATTENDANCE

Committee Members: Marcus Denney, Dana Peck, Sam Bauer, Eric Proffitt and Nick Hogan

Staff: Amanda Hoey, Sherry Wickert, Sherry Bohn

CALL TO ORDER/INTRODUCTIONS:

Sam Bauer called the meeting to order at 12:02 p.m.

ELECTION OF COMMITTEE CHAIRMAN AND SECRETARY

Sam Bauer opened the floor to nominations for the position of Committee Chairman and Secretary. Nominations were made for Sam Bauer to hold the position of Committee Chairman, and Dana Peck volunteered to hold the position of Committee Secretary.

MOTION to elect Sam Bauer as Budget Committee Chairman made by Nick Hogan.
Seconded by Marcus Denney. Motion carried unanimously.

MOTION to elect Dana Peck as Budget Committee Secretary made by Eric Proffitt.
Seconded by Marcus Denney. Motion carried unanimously.

PRESENTATION OF FY 2017 (JULY 1, 2016-JUNE 30, 2017) BUDGET

Amanda Hoey and Sherry Wickert presented the FY 2017 MCEDD budget. The presented budget included the budget narrative, proposed appropriations by category, historical data, all funds budget, operational budget, local dues matrix, salary plan, and benefit plan. They reported that MCEDD's FY2017 budgets have been prepared through careful analysis of prior year's budgets, actual expenditures (prior year and current year), and forecasted revenues and expenditures for new projects.

Sherry Wickert highlighted the Projected Revenue reporting that the EDA Planning Grant is allocated on a cycle from April 1 through March 31 of each year noting that the budget includes the portion of the current EDA planning grant applicable to FY 17 and the portion of the funding anticipated for the next granting cycle. She noted that local dues and Fee-for Service will be utilized to the local match. She also reviewed grants, contract reimbursements, special project revenue, loan fund principal repayments and loan fund interest.

Nick Hogan asked how any large unanticipated new projects would be accounted for. Amanda stated that they would require a budget revision.

Amanda Hoey highlighted the Attainable Housing Revolving Loan Fund noting that it was seeded with \$2 million from the State of Oregon. She reported that it has a lower base interest rate, with projections based on 3.5% interest. Amanda reported that in order to provide the opportunity to revolve the fund this year, if sufficient loan applications are received, we have projected full utilization of the principal. She noted that this maximizes the ability to make loans, if appropriate, but revenue also then reflects higher in both interest and fees. To offset this higher revenue, which may not be realized in the fiscal year, staff has allocated only a portion of revenue to expenses. Amanda noted that the exception is with filing fees, which are fully allocated as they would be direct costs associated with any new loans. Amanda reported that staff is meeting with Regional Solution to discuss potential changes to fund in order to make it more marketable.

Sam Bauer asked if this fund was available for affordable housing projects. Amanda noted that it was designated for attainable housing projects and provided additional detail on the requirements.

Sherry Wickert reviewed projected expenses highlighting personnel expenses including 1.1% COLA increase for all staff members and the extension of a part-time project manager to a regular employee at part time FTE. She noted that this position was included in the prior budget as a “temporary project manager position” and that this change is the result of the staff required to fulfill the various grant administration projects that are currently underway and that are anticipated in FY17. She also reviewed travel authorizations, equipment and event services, legal service, contractual, building costs and distribution of expenses.

Amanda Hoey reported that for FY17 there is \$2,000 included as a general expense for marketing of the organization in supplies. She noted that this allocation would allow for some strategic investment in updates to MCEDD’s website or marketing collateral and is included for budget committee discussion. She also reported that a related amount was included in contractual.

Discussion: Dana Peck noted that updating the Goldendale Chamber’s website was the best investment they had made. Sam Bauer stated that this was something that needed to be done on a regular basis. Marcus Denney stated that he thought the amount should be larger. Sam Bauer suggested \$5,000. Dana Peck suggested \$7,500. The Committee consensus was to increase to \$7,500 in contractual and maintain \$2,000 in supplies.

Dana Peck stated that he thought the 1.1 percent COLA was too low and asked how it was developed. Amanda Hoey noted that it was based on the consumer price index. Sherry Wickert noted that the MCEDD board had recently reviewed and approved the revised salary scale. Marcus Denney noted last year’s committee recommendation to have staff research compensation for employees and asked if this request had been the impetus for the review. Amanda confirmed

that the committee's recommendation was the primary reason for board action. Nick Hogan and Dana Peck suggested recommending an annual review of salary and COLA in order to stay competitive in the market. Eric Proffitt noted the availability of merit based steps. Sam Bauer asked what the number of each staff was at the various steps. Amanda explained.

Marcus Denney asked if staff was comfortable with the amount allocated in legal based on the loans in litigation. Sam Bauer asked if MCEDD's loans were rated. Amanda stated that they were not. Marcus noted the differences in MCEDD's loan programs and the challenge with instituting a system given the role MCEDD serves. However, if initiated in the future an outside look would be beneficial rather than a staff review. Amanda discussed how MCEDD currently reviews loan status in relation to budget projections. Sam indicated that given MCEDD's portfolio size, it would likely make most sense to discuss a potential loan rating system if the program grows in size.

MOTION by Nick Hogan to approve the FY2017 budget as presented, with the revision to increase the amount in contractual as discussed, for recommendation to the full MCEDD Board to adopt the budget. Seconded by Marcus Denney. Motion carried unanimously.

ADJOURNMENT

The meeting adjourned at 12:55 p.m.

FISCAL YEAR 2017 BUDGET NARRATIVE

EXECUTIVE SUMMARY AND BUDGET METHODOLOGY

The FY 2017 budget has been prepared to facilitate the wide-range of services that MCEDD provides. This year's budget reflects growth in the Enterprise Funds. With anticipated special projects staffing needs, the operational expenditures for Personnel Costs are slightly higher than the prior year's budgeted figures. The budget preparation included careful analysis of prior year's budgets, actual expenditures (prior year and current year), and forecasted revenues and expenditures for new projects. The following provides a brief description of significant factors, which are relevant to MCEDD's budgets.

BEGINNING BALANCES

The anticipated carryovers from FY 2016 include IRP, Regional Strategies, Housing RLF, Special Projects Carryover (project specific), and the General Fund. The IRP and Regional Strategies carryover funds are accumulated from prior years of loan fund income not spent on administrative costs. For budgeting purposes, it is estimated that the loan funds balances will be as follows:

IRP Unrestricted Fund Balance	\$29,000
IRP Washington Unrestricted Fund Balance	12,173
Regional Strategies Unrestricted Fund Balance	3,400
Housing RLF	<u>1,002</u>
Total Unrestricted Fund Balance	\$45,575

Special Projects carryover is the estimated balance available for specific special projects. The carryover to FY18 is the anticipated remaining balance available for utilization of future expenditures for special projects.

FY16 Estimated Balance	\$13,490
FY18 Carry forward Balance	6,405

The beginning General Fund carryover balance is estimated on the following information:

FY16 Carry forward Balance	\$243,128
FY18 Est. Carry forward Balance	<u>\$235,070</u>
Total	(\$ 8,058)

PROJECTED REVENUE

PLANNING GRANT – The EDA Planning Grant is allocated on a cycle from April 1 through March 31 of each year. The budget therefore includes the portion of the current EDA planning grant applicable to FY 2017 and the applicable portion of the funding anticipated for the next granting cycle. The grant is expected to provide \$80,000 in federal funds over the course of the fiscal year with a required cash match of \$80,000. Local Dues will be utilized to provide a portion of this match and the remainder of the match will be from Fee-for-Service projects.

GRANTS – The Oregon Investment Board (OIB) is the only fund in MCEDD’s budget which provides grants to other entities. The fund’s anticipated expenditures were included as recommended by the OIB, which includes a grant budget of \$25,000. This total amount includes \$10,000 for the balance of prior awarded grants and \$15,000 for potential new FY 2017 grants.

CONTRACT REIMBURSEMENTS - For FY17 the overall revenue for contract reimbursement is significantly less than the prior year budget due to the funds for the Agora project which were included in the prior year’s budget. The remaining estimated unspent funds have been included in FY17 as carryover.

SPECIAL PROJECTS REVENUE – The total budget for special projects is higher than the prior year, due to the addition of new projects and the inclusion of the operational portion of the Agora project. Most of the FY 2017 special projects revenue is based on a continuation of current or proposed contracts.

These include, among others:

- Grant administration and labor standards services for Community Development Block Grant and other federally funded projects
- County economic development services
- Industry cluster support
- Mobility Management contracts

There are also new or expanded special projects that are anticipated and included in the FY 2017 budget. A sample of anticipated new projects includes:

- Specialty Crop Grant for development of the region’s cideries
- Association of Oregon Counties contract to support implementation of a program to enhance transportation options for limited English proficiency individuals
- Gorge Night Sky symposium and education campaign

LOAN FUND PRINCIPAL REPAYMENTS

Loan fund principal repayments revenue was based on projected payments from existing loan clients and includes scheduled loan payoffs, as well as payments from new loans projected to be made in FY 2017. Adjustments were made to principal repayments for loans with a current “delinquent” status to reflect actual anticipation for repayment.

Principal repayments for projected new loans anticipates a three month interest only period at the start of all new loans and a 90 month term. It anticipates that loans are booked throughout the fiscal year

LOAN FUND INTEREST

Loan fund interest calculations are based on the following criteria:

1. Loan fund interest from current loans is included in the FY 2017 projections. However, adjustments were made to interest calculations for loans with a current “delinquent” status to reflect actual anticipation for repayment. In addition, interest payments were removed for loans which we anticipate to payoff and for loans currently in litigations or pending litigation.
2. Interest from the estimated new loans booked during the remainder of FY 2016 (from April and June 2016) is included in the FY 2017 projections.
3. Projected loan interest for loans that have scheduled balloon payments in FY 2017 are assumed to be paid in full, unless they are already in the process of restructure. If anticipated to be refinanced, the loan interest is part of the projected loan income.
4. An estimated interest rate of 7.0% was used for budgeting purposes. It is a conservative figure as the average for the past few years has been 7.5% or more on most of MCEDD’s loans. Actual individual loan interest rates vary depending on the associated risk of each loan.

The Attainable Housing Revolving Loan Fund (RLF), which was seeded with \$2 million from the State of Oregon, has a lower base interest rate. Projections are based on the current RLF plan, with an estimated 3.5% interest rate. In order to provide the opportunity to revolve the fund this year, we have projected full utilization of the principal. This maximizes our ability to make loans, if appropriate, but revenue also then reflects higher in both interest and fees. To offset this higher revenue which may not be realized in the fiscal year, we have allocated only a portion of revenue to expenses. The exception is with filing fees, which are fully allocated as they would be direct costs associated with any new loans.

LOAN FEE REVENUE

The following are the two primary sources of loan fee revenue:

1. Loan fees are projected to be 1.5% of the loan amount, with the exception of the Housing RLF program which charges a 1% fee. The loan fee revenue is based on the total amount of anticipated funds loaned during FY 2017.
2. Other fees earned include restructuring fees, loan filing fees, and late payment fees.

LOAN FUND INVESTED INTEREST

The loan fund investment income is budgeted to accrue at approximately 0.25% and is based on funds from the following categories: fund balances waiting to be loaned, loan loss reserves balance, and IRP payment funds waiting to be disbursed.

OTHER REVENUE

Other revenue includes various SDAO longevity and SAIF credits/rebates which are included in the general fund. It also includes revenue anticipated from events including Oregon Connections and the Gorge Night Sky symposium.

PROJECTED EXPENSES

WAGES – Annual salaries for all staff include a 1.1% COLA increase. The salary schedule is based on the revised salary schedule approved by the Board. Step raises for eligible employees are included. There is one notable change in positions over the past fiscal year of note:

- The addition of a part-time Project Manager at a 0.50 FTE. This position was included in the prior budget as a “temporary project manager position.” The change is the result of the staff required to fulfill the various grant administration projects currently underway and anticipated in FY17.

The allocation of wages reflects the duties of staff. The Executive Director is allocated across all programs based upon direct engagement with these programs in providing services, as well as providing overall leadership and direction. Project Managers are assigned to specific special projects and the planning grant. The Loan Fund Manager is assigned to loan funds and special projects that directly relate to the loan program. Administrative staff wages are allocated based upon anticipated support functions required by all functions of the organization and allocations are based upon historical and anticipated usage of time from these staff by area.

OTHER PAYROLL EXPENSES (OPE) – Payroll expenses are based on 8.75%. Fringe Benefits are calculated for budget purposes, with an overall rate of 28.9%. This rate includes the increase for health and dental insurance. Other Fringe Benefits include a 457 (b) contribution at 8.75% and disability/life insurance (no significant increase for this fiscal year).

PERSONAL TIME OFF (PTO) – PTO is calculated using the predicted PTO balances as of June 30, 2016 and earned PTO for FY 2017, up to the maximum per MCEDD personnel policies. The maximum is 146.25 hours per employee (accrual up to 195 hours, with 75% liability payout = 146.25 hours). This expense is included as a General Fund expense. Due to uncertainty of PTO usage, no reduction of leave taken was incorporated into the estimated liability.

TRAVEL – The overall cost for travel for FY17 is down from the previous year due to costs associated with the Agora project that were included in the prior year budget, as well as no anticipated out-of-states EDA conference. Travel costs for this fiscal year includes the following out-of-state trips:

NADO Conferences and scholarship-funded out of state travel.

EVENT SERVICES – This category is primarily used for agency funds, which includes the Oregon Connections Telecommunications Conference for 2017, but also includes some small event services for special projects (GTA Wind Challenge and Gorge Night Sky).

SUPPLIES – Costs for supplies, overall, are slightly lower than last fiscal year due to less anticipated special projects expenditures. Administrative supplies have decreased, due to the prior year's cost for the server upgrade. The supplies budget includes new computer equipment for staff on the scheduled replacement rotation. For FY17 there is \$2,000 included as a general expense. This allocation would allow for some strategic investments in updates to MCEDD's website or marketing collateral as recommended by the Budget Committee. A related amount is also included in contractual.

PROFESSIONAL SERVICES

LEGAL SERVICES – Costs associated with legal services remain similar to the prior year's budget.

AUDIT – The FY17 budget reflects the anticipated cost for auditing services, which are lower than year's prior.

CONTRACTUAL –Special projects include a number of anticipated large contractual service expenses, particularly for continuation of the Government Affairs and Communications Specialist contract. The Agora Investment Platform expenses are largely for contractual services, based on agreements with other Economic Development Districts for rollout of the Platform. Overall, contractual expenses are less than the year prior as we do not include an AmeriCorps RARE position in this budget and two projects from the prior year which included large contractual expenditures (Sherman County Downtown plans and JDRT Rural Business Enterprise Grant Agritourism) have completed. We have included a \$7,500 allocation for contract reimbursement in our general fund, which was recommended by the Budget Committee. This allocation will allow for some strategic investments in updates to MCEDD's website or marketing collateral.

COMMUNICATIONS

ADVERTISING slightly decreased based on the FY16 supplemental. However, a larger allocation is included in the general fund to provide for advertising job openings, if necessary. The largest advertising expense is included for the JDRT special project.

POSTAGE/FREIGHT slightly decreased based on review of prior year's actual expenditures.

PRINTING increased to allow for expenditures planned for the John Day River Territory project, Gorge Night Sky and other special projects.

PUBS AND SUBS decreased due to a review of actual historical expenditures. In prior years, this category had included the QuickBooks subscription, which is more appropriately listed in supplies.

BUILDING COSTS

BUILDING COSTS – The contracted building rent is used for budget purposes ($\$1,120.04 \times 12$ months = $\$13,440.48$).

Included in the building cost is the allocated expense for the remodeling of the office space at 515 E 2nd Street, The Dalles, Oregon. The remodeling expense was paid in FY 2014 through the General Fund. It is being repaid by allocating the expense to all programs over a 10 year period (the life of the improvements and the anticipated lease), which started in FY 2014.

BOND AND INSURANCE

The anticipated expenses for bonds and insurance have been decreased slightly over the prior year due to the anticipated costs, which were based on a review of actual historical costs and anticipation for the current fiscal year.

REVOLVING LOAN FUND – IRP

LOAN PAYMENTS – MCEDD has five IRP loans (\$750,000, \$1 million, \$600,000, \$310,000, and \$200,000) through the USDA that require annual payments. Included in the FY 2017 budget are payments of both principal and interest for all five loans.

REVOLVING LOAN FUND – EDA RLFS

Built into the Operational Budget for the EDA Revolving Loan Funds is a 50% allocation of the projected revenue that will be restricted for relending purposes only. This satisfies the requirement from EDA to ensure administrative expenses remain 50% or less of loan fund revenue.

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
FY 2017 BUDGET**

BUDGET APPROPRIATION BY CATEGORY	
REVENUES:	
LOAN FUNDS (AVAILABLE TO LOAN)	4,283,096
CARRYOVER FY16 - RESTRICTED FUNDS	113,566
CARRYOVER FY16 - UNRESTRICTED FUNDS	288,703
CARRYOVER FY 16 - TOTAL	4,685,365
FEDERAL	193,769
STATE	60,068
LOCAL MATCH	23,000
LOCAL DUES	45,530
CONTRACT REIMBURSEMENT	388,870
PRINCIPAL REPAYMENTS	787,125
LOAN INTEREST	405,012
LOAN FEES	57,824
OTHER REVENUE	31,800
IN-KIND	63,923
INVESTED FUNDS INTEREST	2,260
TOTAL REVENUES	6,744,546
EXPENDITURES:	
PERSONNEL COSTS	649,208
MATERIALS AND SERVICES	507,404
GRANTS DISBURSED	25,000
REVOLVING LOAN FUND	
NEW LOANS MADE	3,350,000
PRINCIPAL & INT LOAN PAYMENT	121,406
ENDING AVAILABLE TO BE LOANED	1,759,829
REVOLVING LOAN FUND	5,231,235
CARRYOVER	
CARRYOVER - RESTRICTED	25,094
CARRYOVER - UNRESTRICTED	306,605
CARRYOVER TOTAL	331,699
TOTAL EXPENDITURES	6,744,546

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
FY17 HISTORICAL DATA**

	A	B	C	D	E	F	G	H	I
1					PROPOSED	APPROVED	ADOPTED	REVISED	1
2	2013-14	2014-15	2015-16		2016-17	2016-17	2016-17		2
3	SUPPL	SUPPL	SUPPL	DESCRIPTION	BUDGET COMMITTEE	BUDGET COMMITTEE	MCEDD BOARD	MCEDD BOARD	3
4									4
5				REVENUES					5
6	1,015,645	2,381,079	4,560,484	LOAN FUNDS (AVAILABLE TO LOAN)	4,283,096	4,283,096			6
7	71,337	72,110	81,196	CARRYOVER - RESTRICTED FUNDS	113,566	113,566			7
8	250,822	318,224	270,529	CARRYOVER - UNRESTRICTED FUNDS	288,703	288,703			8
9	1,337,804	2,771,413	4,912,209	TOTAL CARRYOVER	4,685,365	4,685,365			9
10									10
11	718,066	481,173	218,736	FEDERAL	193,769	193,769			11
12	3,000	2,031,238	34,300	STATE	60,068	60,068			12
13	85,061	68,859	37,990	LOCAL MATCH	23,000	23,000			13
14	41,389	45,529	45,530	LOCAL DUES	45,530	45,530			14
15	309,628	475,124	499,123	CONTRACT REIMBURSEMENTS	388,870	388,870			15
16	835,567	1,643,718	1,366,589	PRINCIPAL REPAYMENTS	787,125	787,125			16
17	372,758	358,797	419,521	LOAN INTEREST	405,012	405,012			17
18	25,355	51,802	64,969	LOAN FEES	57,824	57,824			18
19	38,500	52,557	49,562	OTHER REVENUE	31,800	31,800			19
20	121,226	95,798	66,448	IN-KIND	63,923	63,923			20
21	1,680	2,397	4,070	INVESTED FUNDS INTEREST	2,260	2,260			21
22	3,890,034	8,078,405	7,719,047	TOTAL REVENUE	6,744,546	6,744,546	0		22
23									23
24				EXPENDITURES					24
25				PERSONNEL COSTS:					25
26	441,381	437,938	457,877	WAGES	472,383	472,383			26
27	118,296	120,798	123,965	FRINGE BENEFITS	135,577	135,577			27
28	38,983	38,340	39,543	PAYROLL TAXES	41,248	41,248			28
29	598,660	597,076	621,385	TOTAL PERSONNEL COSTS	649,208	649,208	0		29
30									30
31				MATERIALS AND SERVICES:					31
32	37,635	36,163	36,293	TRAVEL	30,859	30,859			32
33	27,350	30,150	26,000	EVENT SERVICES	22,891	22,891			33
34	6,630	3,990	4,039	EQUIPMENT	4,500	4,500			34
35	36,462	34,027	44,575	SUPPLIES	32,116	32,116			35
36				PROFESSIONAL SERVICES:					36
37	11,402	4,567	5,700	Legal	6,950	6,950			37
38	15,250	15,500	15,755	Audit	13,150	13,150			38
39	3,600	11,400	16,400	Title/Lien Search/Filing Fees	14,874	14,874			39
40	285,343	336,235	305,498	Contractual	254,481	259,981			40
41				COMMUNICATIONS:					41
42	5,000	11,725	8,865	Advertising	8,000	8,000			42
43	5,047	2,553	2,680	Postage & Freight	2,500	2,500			43
44	6,500	4,159	6,300	Printing	8,200	8,200			44
45	1,300	900	1,150	Pubs & Subs	280	280			45
46	7,628	7,562	8,950	Telephone & Networking Expenses	8,950	8,950			46
47				BUILDING COSTS:					47
48	12,300	12,660	13,049	Rent	13,440	13,440			48
49	5,100	5,100	5,100	Utilities and Janitorial	5,000	5,000			49
50	35,000			Building Remodel					50
51	3,500			Building Remodel - Allocation of Expenses					51
52	520	520	500	Building Repairs and Maintenance	500	500			52
53	2,900	3,428	3,450	BOND AND INSURANCE	3,350	3,350			53
54				OTHER MATERIALS & SERVICES:					54
55	6,360	7,100	10,938	Dues and Fees	7,050	7,050			55
56	2,753	20,358	300	Other	890	890			56
57	5,544			Indirect - Included as Mat/Service					57
58	125,226	95,798	66,448	In-Kind	63,923	63,923			58
59	648,350	643,895	581,990	TOTAL MATERIALS AND SERVICES	501,904	507,404	0		59
60									60
61	50,000	50,000	45,000	GRANTS DISBURSED	25,000	25,000			61
62									62
63				REVOLVING LOAN FUND:					63
64	1,335,000	2,925,000	3,660,000	New Loans Made	3,350,000	3,350,000			64
65	81,706	89,019	89,835	IRP Payment-Principal Portion	100,795	100,795			65
66	19,902	22,333	21,513	IRP Payment-Interest Portion	20,611	20,611			66
67	887,642	3,331,449	2,311,658	Ending Available to be Loaned	1,759,829	1,759,829			67
68	2,324,250	6,367,801	6,083,006	TOTAL REVOLVING LOAN FUND	5,231,235	5,231,235	0		68
69									69
70	51,424	50,501	96,995	CARRYOVER - RESTRICTED	25,094	25,094			70
71	217,350	369,132	290,671	CARRYOVER - UNRESTRICTED	312,105	306,605			71
72	268,774	419,633	387,666	TOTAL CARRYOVER	337,199	331,699			72
73	3,890,034	8,078,405	7,719,047	TOTAL EXPENDITURES	6,744,546	6,744,546	0	0	73

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
FY2017 ALL FUNDS BUDGET**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1	DESCRIPTION	320/E320 IRP	321/E321 IRP SH	322/E322 IRP WA	336/E336 EDA RLFs	345/E345 RLF REG STRAT	350/E350 RBEG- OR	355/E355 RBEG-WA	357/E357 RBEG- KL/SK	370/E370 CDBG- MICRO ENT	371 E371 HOUSING RLF	390 GEN LOAN FUNDS	101 PLANNING GRANT	552 OIB STAFFING	SPECIAL PROJECTS	802/804 GENERAL FUND	801 ADMIN	E975 OIB AGENCY	E580 ARTS CLUSTER AGENCY	E903 AWEA AGENCY	E904 OR CONNX AGENCY	E905 JDRT GENERAL	E906 TRAVEL OR - JDRT	E599 AGORA	TOTAL	1
2	BEGINNING BALANCES																									
3	Loan Funds Available (Available to Loan)	592,385	74,388	74,892	78,065	159,126	44,346	45,534	101,151	45,810	2,000,000							1,067,399								4,283,096
4	Restricted Carryover from FY16														13,490				726	12,038	23,133	4,010	2,500	57,669		113,566
5	Unrestricted Carryover from FY16	29,000	-	12,173	-	3,400	-	-	-	-	1,002	-	-	-	-	243,128	-									288,703
6	TOTAL FUND AVAIL FOR FY17	621,385	74,388	87,065	78,065	162,526	44,346	45,534	101,151	45,810	2,001,002				13,490	243,128		1,067,399	726	12,038	23,133	4,010	2,500	57,669		4,685,365
7																										
8	REVENUE																									
9	Federal	-	-	-	-	-	-	-	-	-	-	80,000	-	-	79,427	-	-							34,342		193,769
10	State	-	-	-	-	-	-	-	-	-	-	-	-	-	60,068	-	-									60,068
11	Local Match	-	-	-	-	-	-	-	-	-	-	-	41,742	-	10,788	(45,530)	-					16,000				23,000
12	Local Dues	-	-	-	-	-	-	-	-	-	-	-	-	-	45,530	-	-									45,530
13	Contract Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	92,205	290,665	2,000	-			4,000						388,870
14	Principal Payments	309,879	23,242	25,229	93,188	9,043	27,658	10,170	10,354	16,360								262,002								787,125
15	Loan Interest	145,999	14,602	18,294	44,836	6,509	18,243	3,588	3,721	4,390	17,835	-	-	-	-	-	-	126,995								405,012
16	Loan Processing Fees	6,300	750	750	1,500	2,250	-	-	1,500	450	20,000	-	-	-	-	-	-									38,600
17	Loan Filing Fees	3,500	500	500	1,000	500	1,000	500	500	500	5,000	-	-	-	-	-	-									14,824
18	Loan Late Fees	900	50	50	500	50	300	50	100	100	-	-	-	-	-	-	-	2,300								4,400
19	Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	500	1,500		1,800		26,000					31,800
20	In-kind	-	-	-	-	-	-	-	-	-	-	-	-	-	63,923	-	-									63,923
21	Invested Funds Interest	350	50	50	100	75	75	50	50	50	500	-	-	-	-	200	-	700			10					2,260
22	TOTAL REVENUE	466,928	39,194	44,873	141,124	18,427	47,276	14,358	16,225	21,850	43,335		121,742	92,205	506,871	2,700	1,500	398,421	1,800	4,000	26,010	16,000		34,342		2,059,181
23																										
24	WAGES																									
25	Executive Director	3,248	700	400	2,200	750	1,300	325	400	500	350	4,100	32,500	17,550	17,316	107	7,200									88,946
26	Finance Manager	2,400	500	200	560	650	510	300	320	450	750	2,900	9,950	6,900	33,555	-	12,000									71,945
27	Loan Fund Manager	10,000	1,100	1,200	5,140	3,050	7,500	1,100	1,770	1,200	3,200	10,000	-	22,425	3,520	91	1,100									72,396
28	Project Managers :																									
29	Part-time Project Manager .50 FTE	-	-	-	-	-	-	-	-	-	-	-	-	-	26,267	1,362	-									27,629
30	Mobility/Project Manager 1.0 FTE	-	-	-	-	-	-	-	-	-	-	-	1,000	-	55,385	969	1,100									58,454
31	Project Manager .80 FTE	-	-	-	-	-	-	-	-	-	-	-	5,500	-	44,344	-	900									50,744
32	Project Manager 1.0 FTE	-	-	-	-	-	-	-	-	-	-	-	10,625	-	43,040	-	1,100									54,765
33	Office Administrator	5,076	600	250	2,684	385	704	172	241	225	625	1,400	5,200	6,649	14,534	1,259	7,500									47,504
34	Total Wages	20,724	2,900	2,050	10,584	4,835	10,014	1,897	2,731	2,375	4,925	18,400	64,775	53,524	237,961	3,788	30,900									472,383
35	Fringe Benefits (.028933)	5,996	839	593	3,062	1,399	2,897	549	790	687	1,425	5,324	18,741	15,486	68,849	-	8,940									135,577
36	Payroll Taxes (.08732)	1,810	253	179	924	422	874	166	238	207	430	1,607	5,656	4,674	20,779	331	2,698									41,248
37	TOTAL PERSONNEL COSTS	28,530	3,992	2,822	14,570	6,656	13,785	2,612	3,759	3,269	6,780	25,331	89,172	73,684	327,589	4,119	42,538									649,208
38																										
39	TRAVEL & CONFERENCES	700	228	209	369	300	515	138	339	557	298	500	5,926	959	16,521	500	2,000				800					30,859
40	EVENT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	1,401	-	500	200			20,790					22,891
41	EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500									4,500
42	SUPPLIES	250	-	-	-	-	-	-	-	-	-	-	400	150	17,116	2,000	7,000				2,700		2,500			32,116
43	PROFESSIONAL SERVICES																									
44	Legal	2,350	400	400	300	150	150	100	100	100	400	400	-	-	-	-	500	2,000								6,950
45	Auditing	1,600	180	200	500	50	200	40	40	40	200	-	4,000	3,100	-	-	3,000									13,150
46	Filing Fees	3,500	500	500	1,000	500	1,000	500	500	500	5,000	-	-	-	50	-	-	1,324								14,874
47	Contractual	-	-	-	-	-	-	-	-	-	-	-	2,000	-	32,427	7,500	900	92,205	700	15,788	6,600	9,850		92,011		259,981
48	COMMUNICATIONS																									
49	Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	800	-	1,700									8,000
50	Postage & Freight	100	-	-	-	-	-	-	-	-	-	-	-	-	100	-	2,000			50		50	200			2,500
51	Printing	-	-	-	-	-	-	-	-	-	-	-	-	-	3,950	-	700		1,000			550	2,000			8,200
52	Pubs & Subs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	280									280
53	Telephone & Networking	100	-	-	-	-	-	-	-	100	500	500	500	500	1,200	-	6,000	50								8,950
54	BUILDING COSTS																									
55	Rent	-	-	-	-	-	-	-	-	-	-	1,250	4,100	2,200	-	-	5,890									13,440
56	Building Utilities & Janitorial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000									5,000
57	Building Remodel - Allocation	-	-	-	-	-	-	-	-	-	-	-	500	750	-	(3,361)	2,111									-
58	Building Repairs &																									

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
FY 2017 OPERATIONAL BUDGET**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S			
		320	321	322	336	345	350	355	357	370	371	390	101	552	SPECIAL	804	801	TOTAL	1			
1	DESCRIPTION	IRP	IRP SHERMAN	IRP WA	EDA RLFS	RLF REG STRAT	RBEG-OR	RBEG-WA	RBEG-KL/SK	CDBG-MICRO ENT	HOUSING RLF	GEN LOAN FUNDS	PLANNING GRANT	OIB STAFFING	PROJECTS	GENERAL FUND	ADMIN					
2	BEGINNING BALANCES																			2		
3	Restricted Carryover from FY16														13,490					13,490	3	
4	Unrestricted Carryover from FY16	29,000	-	12,173		3,400					1,002					243,128				288,703	4	
5	TOTAL FUND AVAIL FOR FY17	29,000	-	12,173		3,400					1,002				13,490	243,128				302,193	5	
6																					6	
7	REVENUE																				7	
8	Federal												80,000		79,427						159,427	8
9	State														60,068						60,068	9
10	Local Match												41,742		10,788	(45,530)					7,000	10
11	Local Dues														45,530						45,530	11
12	Contract Reimbursements													92,205	290,665	2,000					384,870	12
13	Loan Interest	145,999	14,602	18,294	44,836	6,509	18,243	3,588	3,721	4,390	17,835										278,017	13
14	Loan Processing Fees	6,300	750	750	1,500	2,250			1,500	450	20,000										33,500	14
15	Loan Filing Fees	3,500	500	500	1,000	500	1,000	500	500	500	5,000										13,500	15
16	Loan Late Fees	900	50	50	500	50	300	50	100	100											2,100	16
17	Other Revenue														2,000	500	1,500				4,000	17
18	In-Kind														63,923						63,923	18
19	Invested Funds Interest	350	50	50	100	75	75	50	50	50	500						200				1,550	19
20	TOTAL REVENUE	157,049	15,952	19,644	47,936	9,384	19,618	4,188	5,871	5,490	43,335		121,742	92,205	506,871	2,700	1,500				1,053,485	20
21																						21
22	WAGES																					22
23	Executive Director	3,248	700	400	2,200	750	1,300	325	400	500	350	4,100	32,500	17,550	17,316	107	7,200				88,946	23
24	Finance Manager	2,400	500	200	560	650	510	300	320	450	750	2,900	9,950	6,900	33,555	-	12,000				71,945	24
25	Loan Fund Manager	10,000	1,100	1,200	5,140	3,050	7,500	1,100	1,770	1,200	3,200	10,000		22,425	3,520	91	1,100				72,396	25
26	Project Managers :																					27
27	Part-time Project Manager .50 FTE														26,267	1,362					27,629	26
28	Mobility/Project Manager 1.0 FTE												1,000	55,385	969		1,100				58,454	28
29	Project Manager .80 FTE												5,500	44,344			900				50,744	29
30	Project Manager 1.0 FTE												10,625	43,040			1,100				54,765	30
31	Office Administrator	5,076	600	250	2,684	385	704	172	241	225	625	1,400	5,200	6,649	14,534	1,259	7,500				47,504	31
32	Total Wages	20,724	2,900	2,050	10,584	4,835	10,014	1,897	2,731	2,375	4,925	18,400	64,775	53,524	237,961	3,788	30,900				472,383	32
33	Fringe Benefits (.28933)	5,996	839	593	3,062	1,399	2,897	549	790	687	1,425	5,324	18,741	15,486	68,849	-	8,940				135,577	33
34	Payroll Taxes (.08732)	1,810	253	179	924	422	874	166	238	207	430	1,607	5,656	4,674	20,779	331	2,698				41,248	34
35	TOTAL PERSONNEL COSTS	28,530	3,992	2,822	14,570	6,656	13,785	2,612	3,759	3,269	6,780	25,331	89,172	73,684	327,589	4,119	42,538				649,208	35
36																						36
37	TRAVEL & CONFERENCES	700	228	209	369	300	515	138	339	557	298	500	5,926	959	16,521	500	2,000				30,059	37
38	EVENT SERVICES														1,401		500				1,901	38
39	EQUIPMENT														-		4,500				4,500	39
40	SUPPLIES	250											400	150	17,116	2,000	7,000				26,916	40
41	PROFESSIONAL SERVICES																					41
42	Legal	2,350	400	400	300	150	150	100	100	100	-	400			-		500				4,950	42
43	Auditing	1,600	180	200	500	50	200	40	40	40	200		4,000	3,100	-		3,000				13,150	43
44	Filing Fees	3,500	500	500	1,000	500	1,000	500	500	500	5,000				50						13,550	44
45	Contractual												2,000		32,427	7,500	900				42,827	45
46	COMMUNICATIONS																					46
47	Advertising														800		1,700				2,500	47
48	Postage & Freight	100													100		2,000				2,200	48
49	Printing														3,950		700				4,650	49
50	Pubs & Subs														-		280				280	50
51	Telephone & Networking	100									100	500	500	500	1,200		6,000				8,900	51
52	BUILDING COSTS																					52
53	Rent											1,250	4,100	2,200	-		5,890				13,440	53
54	Building Utilities & Janitorial														-		5,000				5,000	54
55	Building Remodel - Allocation												500	750	-	(3,361)	2,111				-	55
56	Building Repairs & Maintenance														-		500				500	56
57	BOND AND INSURANCE				350										-		3,000				3,350	57
58	OTHER MATERIALS & SERVICES																					58
59	Dues and Fees											700	2,000		100		2,000				4,800	59
60	Other														490		200				690	60
61	IN-KIND														63,923						63,923	61
62	REVOLVING LOAN FUND																					62
63	Loan Principal	84,182	6,555	10,058																	100,795	63
64	Loan Interest	15,576	1,935	3,100																	20,611	64
65	Carryover to FY18 (Restricted Funds)				23,968										6,405						30,373	65
66	Carryover to FY18 (Unrestricted Funds)	29,458	-	12,173		3,221					26,683						235,070				306,605	66
67	TOTAL DIRECT EXPENSES	166,346	13,790	29,462	41,057	10,877	15,650	3,390	4,738	4,466	39,061	28,681	108,598	81,343	472,072	245,828	90,319				1,355,678	67
68	LOAN FUNDS SPREAD	15,498	1,574	1,939	4,731	926	1,936	413	579	542	4,277	(32,415)									-	68
69	ADMIN SPREAD	4,205	588	416	2,148	981	2,032															

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
FY 2017 BUDGET
LOCAL DUES**

	2010 POPULATION	\$0.4551 PER CAPITA
COUNTIES		
Hood River (Unincorp.)	14,035	\$6,387
Sherman	1,765	803
Wasco (Unincorp.)	10,056	4,576
Klickitat (Unincorp.)	13,975	6,360
Skamania (Unincorp.)	8,645	3,934
TOTAL COUNTIES		\$22,061
CITIES		
Antelope	46	\$21
Dufur	604	275
Maupin	418	190
Mosier	433	197
Shaniko	36	16
The Dalles	13,620	6,198
Cascade Locks	1,144	521
Hood River	7,167	3,262
North Bonneville	956	435
Stevenson	1,465	667
Bingen	712	324
Goldendale	3,407	1,551
White Salmon	2,224	1,012
TOTAL CITIES		\$14,669
		\$1,760 PER PORT
PORTS		
Hood River		\$1,760
The Dalles		1,760
Klickitat		1,760
Skamania		1,760
Cascade Locks		1,760
TOTAL PORTS		\$8,800
TOTAL LOCAL DUES		\$45,530

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
FY 17 SALARY SCALE**

Executive Director						
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
\$72,792	\$76,432	\$80,253	\$84,266	\$88,479	\$92,903	
Finance Manager						
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
\$56,372	\$59,191	\$62,149	\$65,258	\$68,521	\$71,945	
Loan Fund Manager						
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
\$56,372	\$59,191	\$62,149	\$65,258	\$68,521	\$71,945	
Project Manager						
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
\$51,814	\$54,405	\$57,125	\$59,981	\$62,980	\$66,128	
Office Administrator						
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
\$42,281	\$44,396	\$46,615	\$48,946	\$51,394	\$53,963	

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
FY 2017 BUDGET**

MEDICAL COVERAGE

Covers	Plan	Deductible	Rider	Rider	Rider
All Employees	Plan V-A PPP	\$100	Vision	Alternative	Well Baby

<i>Cost of Plan</i>	Emp Only	Emp + 1	Emp + Family
Monthly Employer Share	720.46	1,124.76	1,389.91
Monthly Employee Share	-	404.31	669.46
Total	720.46	1,529.07	2,059.37
Annual Employer Share	8,645.52	13,497.12	16,678.92
Annual Employee Share		4,851.72	8,033.52

Dental		
Covers	Plan	Deductible
All Employees	Dental II	\$0

<i>Cost of Plan</i>	Emp Only	Emp + 1	Emp + 2
Monthly Employer Share	50.75	69.68	102.40
Monthly Employee Share		18.94	51.65
Total	50.75	88.62	154.05
Annual Employer Share	609.00	836.16	1,228.80
Annual Employee Share		227.28	619.80

Life Coverages - Employer Provided (based on eligibility/FTE)
 Life 1.5 X Salary - Covers: all employees
 AD & D Matching life amount - Covers: all employees
 LTD 50% of salary - Covers: all employees

Retirement - Employer Provided
 Employees receive 8.75% of annual salary placed in existing 457(b) Program.

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT

Acronym Sheet

CDBG MICROENT – Community Development Block Grant. Loan Funds for Klickitat County

CGBREZ – Columbia Gorge Bi-State Renewable Energy Zone

COLA – Cost of living allowance

EDA – Economic Development Administration (our federal parent agency)

EDA RLFs – Revolving Loan Fund for Hood River, Skamania, and Klickitat counties

GTA – Gorge Technology Alliance

IRP – Intermediary Relending Program

IRP SH – Intermediary Relending Program for Sherman County

IRP WA – Intermediary Relending Program for Washington

MCEDD – Mid-Columbia Economic Development District

NADO – National Association of Development Organizations

OIB – Oregon Investment Board (grants/loans in the National Scenic Area)

OR CONNX – Oregon Connections Telecommunications Conference

PTO – Personal Time off

RBEG – Rural Business Enterprise Grant

REG STRAT – Regional Strategies. Loan fund for Wasco, Hood River, Sherman, Klickitat, and Skamania counties

SAIF – State Accident Insurance Fund (workers compensation program)

SDAO – Special Districts Association of Oregon

USDA – United States Department of Agriculture



**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
RESOLUTION 2016-4
REVOLVING LOAN FUND PLAN CERTIFICATION
EDA REVOLVING LOAN FUND GRANT
450210R**

WHEREAS, Mid-Columbia Economic Development District (MCEDD) operates a revolving loan fund (RLF) created through grants from the US Economic Development Administration (EDA); and

WHEREAS, the MCEDD Board of Directors is responsible for establishing policies for management of the fund; and

WHEREAS, the MCEDD Board of Directors updates the plan every five years; and

WHEREAS, MCEDD has developed an updated RLF plan which is consistent with the area's adjustment strategy;

NOW THEREFORE, BE IT RESOLVED THAT, the MCEDD Board adopts the updated MCEDD EDA RLF plan.

BE IT FURTHER RESOLVED THAT, the MCEDD Board of Directors certifies that the RLF is being operated in accordance with the policies and procedures contained in the RLF Plan, and the loan portfolio meets the standards contained therein.

ADOPTED this 16th DAY OF JUNE 2016.

ATTEST:

**MID-COLUMBIA ECONOMIC
DEVELOPMENT DISTRICT**

Sherry Bohn, Office Administrator

Jan Brending, Chair

MEMORANDUM

Date: May 17, 2016
To: MCEDD Board of Directors
From: Amanda Hoey, Executive Director
Re: EDA Revolving Loan Fund Plan

Every five years MCEDD must update its Economic Development Administration (EDA) Revolving Loan Fund (RLF) Plan. This plan provides the framework for management of our EDA funded loan programs, in addition to other loan programs in our portfolio, excluding USDA and OIB funds which are managed under separate plans. We strive for consistency with other plans, so any major changes in this plan can precipitate changes in those plans as well.

We are at the five year mark for the current EDA RLF plan and an update is due this year. The framework for the plan and required elements are mandated by EDA and they have provided detailed guidance on what must be included. The MCEDD Loan Administration Board recommends adoption of the revised plan as attached.

Areas of Significant Change

The plan incorporates EDA guidance on the following elements of required modification:

- EDA requires that at least one member of the Loan Administration Board making final loan decisions has lender experience. Staff has revised this section (page 25) and, following the recommendation of the Loan Board and approval by EDA, incorporated the provision for an alternate private sector member.
- EDA required a modification to the Environmental review language (pages 28-29). We have revised to incorporate the environmental language recommended by the EDA environmental officer verbatim.

In addition, EDA recommended reviewing the maximum loan size, which is listed at \$250,000. Staff and the Loan Administration Board reviewed and as the plan also covers additional funds, it is not recommended for modification.

In addition to EDA staff recommended edits, modifications included:

- Updated the Economic Adjustment Problem section (pages 5-6) to reflect our updated CEDS.
- Updated the RLF impact to reflect the most up to date information (page 12-13).
- Revised the Equity Policy (page 15) to include “usually” for the percentage listed for working capital loans and to note the combined LTV for real estate.
- Modified the eligible entities (page 19) and projects (page 20-21) to consolidate under their respective headings.

Request

The MCEDD Board is asked to adopt the attached plan per Resolution 2016-4. Following adoption of the plan, MCEDD staff will submit the plan to EDA and solicit a private sector representative for the alternate position on the MCEDD Loan Administration Board.

**MID-COLUMBIA
ECONOMIC DEVELOPMENT
DISTRICT**

**REVOLVING LOAN FUND PLAN
DRAFT REVISIONS**

For Mid-Columbia Development District (MCEDD) revolving loan funds
funded with EDA Consolidated Grant #450210R.

ADOPTED BY RESOLUTION 2016-4 ON JUNE 16, 2016

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INTRODUCTION

This Revolving Loan Fund Plan has been developed by Mid-Columbia Economic Development District to replace and update the existing RLF plan for EDA consolidated grant 450210R and any other MCEDD revolving loan funds including, but not limited to Regional Strategies RLF. These previously approved grant and loan policies, standards, targets, criteria and procedures are hereby revised and amended to be consistent with the new RLF Plan. This revision does not change the basic scope of the existing grants or loans, but brings the plan under which they operate up to date and current with EDA requirements and the area's Comprehensive Economic Development Strategy (CEDDS).

Part I of this Plan outlines the RLF Strategy. This section explains the economic adjustment program and its strategies and policies. It also states portfolio standards, targets and criteria of the RLF.

Part II of the Plan covers the RLF operational procedures. This section sets forth the organization and the procedures for making and servicing loans. This section also covers how MCEDD will comply with EDA and USDA requirements for reporting and monitoring of grant and loan terms and conditions.

A. ECONOMIC ADJUSTMENT PROGRAM OVERVIEW

ECONOMIC ADJUSTMENT PROBLEM

The annual MCEDD Comprehensive Economic Development Strategy document details the economic situation and distress in each of the counties. A brief discussion is provided below.

Region

The Mid-Columbia region is composed of five counties bordering the Columbia River Hood River, Wasco and Sherman counties in Oregon and Skamania and Klickitat counties in Washington. The region constitutes an area of 7,289 square miles and encompasses parts of the Columbia River Gorge National Scenic Area. The region is rural with a dispersed population, with an estimated population of 81,279 persons.

Unemployment is an indication of the level of economic health in our region. During the current recession, it peaked in 2010 at 12.2%. The region weathered the recession better, overall, than the states with a faster recovery. Currently the region is experiencing an extended period of low unemployment. In February 2016, the estimated unemployment rate for the region was 6.4%, with a seasonally adjusted rate of 5.3%, Scott Bailey, Washington State regional economist notes that this “was again one of the lowest recorded over the past 26 years, beaten only by a few months with 5.2 percent back in 2007.” Overall job gains are also a strong sign for the region, with growth of regional employment over the year expanding at a rate of 2.9% with gains in manufacturing; trade, transportation and utilities; professional and business services; educational and health services; leisure and hospitality, and government.

Despite gains in employment, the region still experiences high poverty and suffers low per capita income. Our region’s overall income scale is skewed toward the lower end. Each of the five counties, except Hood River, has about 15% of their households making under \$15,000 per year. This is several percentage points higher than Washington or Oregon’s percentage, which are 10.6% and 12.7% respectively. However, each of our counties has higher percentages of middle income residents than the states, or other income brackets as well. Our largest income bracket is those households making between \$35,000 and \$74,999. This larger lower and middle income population supports the information given above about wage and industry distributions. In light of that information, these numbers may move toward increased stratification in incomes in the coming years as much focus is on higher paying business and professional services and medical services as well as low paying hospitality and food service jobs.

Our top two employment industries are agriculture and local government. The agriculture industry provides 17% of the jobs in the Mid-Columbia counties but only about 10% of our total payroll. Our second largest employment sector is local government. These jobs

make up about 15% of our total employment. These workers make up the largest percentage of total payroll in the region at 18%. While the region has been traditionally based on natural resource industries, reductions in these industries resulted in economic distress for the region. Following these downturns, the region concentrated on working together to identify and support clusters. Renewable energy opportunities, rapid growth in the fermentation and value added agriculture industries, growth in healthcare, development of opportunities for artists and expansion of local high-tech leaders provides a new economic base.

DEVELOPMENT OF ECONOMIC ADJUSTMENT STRATEGY

In response to the economic distress of the District, Mid-Columbia Economic Development District worked to develop adjustment strategies. The CEDS process annually analyzes the problems and develops a number of goals and strategies. As part of the process, Mid-Columbia Economic Development District looks to the RLF programs that the District has successfully utilized as an important part of its strategy. MCEDD has operated revolving loan funds since 1980. The Board annually certifies that the RLFs are consistent with the Strategy of the District. Existing RLF's include:

Source	Date Est.	Federal Funds	Matching Funding
EDA RLF Skamania	1980	\$300,000 EDA grant	-
EDA RLF Hood River	1986	\$300,000 EDA grant	\$100,000
North Central OR Regional Strategies	1996	\$311,252 NCOR grant	-
USDA IRP	1999	\$1,000,000 USDA loan	\$100,000
EDA RLF Klickitat	2002	\$320,000 EDA grant	\$80,000
USDA IRP Recap	2004	\$600,000 USDA loan	\$150,000
USDA RBEG- OR	2004	\$259,000 USDA grant	-
USDA RBEG- WA	2004	\$95,000 USDA grant	\$5,000
USDA IRP Recap	2007	\$750,000 USDA loan	\$112,500
USDA RBEG- Klick/Skam	2010	\$99,000 USDA grant	\$50,000
Washington CDBG	2010	\$95,481 CDBG grant	\$20,000
USDA IRP- Sherman	2011	\$200,000 USDA loan	\$50,000

Mid-Columbia Economic Development District includes its RLF program in its annual preparation of the Comprehensive Economic Development Strategy documents for the District. The Comprehensive Economic Development Strategy for the Mid-Columbia region indicates a goal of promoting the creation of family-wage employment, promoting diversification of the economic base, and promoting growth, development and retention of business and industry within the District.

AREA RESOURCES

In addition to funding partners such as USDA and EDA, there are a number of resources that MCEDD utilizes when assisting businesses through this RLF. There is an expanded list of resources and partners in MCEDD's Comprehensive Economic Development Strategy.

Within the District, there are five port districts active in trying to attract new job creating industries or expand existing ones: Port of The Dalles, Port of Klickitat, Port of Hood River, Port of Skamania, and Port of Cascade Locks. They all have industrial property and infrastructure in place to provide for development. They are strong allies in economic development in the District, managing significant areas of industrial and business properties.

Each county has an economic development entity that works to support business retention and expansion within the county. Skamania County is served by the Skamania County Economic Development Council, which also acts as staff for the Washington Investment Board. Klickitat County formed a Public Economic Development Authority (PEDA). The Klickitat PEDA works to improve the economic conditions in the County. PEDA staff work to create or retain jobs, improve infrastructure, and coordinate federal and state funding. Wasco County has an active committee of government leaders and private citizens who make economic development related recommendations to the County Commission. Wasco County contracts with MCEDD for economic development services to support their committee. Sherman County is similarly served through a contract for economic development services from MCEDD Hood River County established an economic development working group which includes MCEDD, the Chamber, County, cities and Ports.

The Small Business Development Center networks of Oregon and Washington serve the Districts counties, with varying levels of service available in the five counties, and provide technical assistance to local businesses. They also provide many loan leads for the program. The Small Business Development Center network provides assistance to small businesses in the region by offering counseling and training. Many of the small businesses that request loans for one of the MCEDD loan programs have received services from the SBDC. The Service Corps of Retired Executives similarly provides resources and technical assistance for entrepreneurs in the region.

Additional funding resources for businesses are available through Washington and Oregon State programs, Mount Hood Economic Alliance, urban renewal programs, and commercial banks. In addition, as part of the legislation creating the National Scenic Area, each state was entrusted with funding for economic development within the Scenic Area boundaries. Each state created and appointed Investment Boards to make decisions on use of those funds for grants and loans

STRATEGIC ADJUSTMENT GOALS

Through the creation of the RLF program, MCEDD established specific goals and objectives for the Revolving Loan Funds:

- Provide access to affordable capital necessary for business expansion, retention and start-up projects to move forward.
- The type of jobs targeted by the RLF will be higher skill, family wage jobs. These jobs are more likely to be found in manufacturing and technology-based businesses.
- Help to attract new businesses to the District by making capital available.
- The projects that the Revolving Loan Fund helps to finance must leverage private capital and create jobs.
- The projects assisted by the RLF will assist the unemployed, underemployed, dislocated workers and/or low- income workers by providing new jobs or saving current jobs in the District.
- Loans to commercial businesses will be considered particularly when they provide opportunities for mitigation of unemployment of dislocated workers or stimulate economic growth to commercial districts that have become blighted or stagnant and the investment will lead to additional investment in the area.
- The RLF will make every effort to attract applications from and to assist businesses owned by minorities and women.

IMPLEMENTATION PROGRAMS AND ACTIVITIES

MCEDD's Revolving Loan Funds have been primarily funded through the United States Department of Agriculture Rural Development and the United States Economic Development Administration, with matching funding from regional investment boards, state grants, Oregon Investment Board, counties, MCEDD and others. A detailed list is provided in the Economic Adjustment Strategy portion of this plan. All Revolving Loan Funds were designed to assist small businesses with job creating projects in particular parts of the region. The first round of loans from each program was made to businesses targeted to specific distressed counties. Once the initial grant/loan and match funds were lent, the revolved funds from repayments and earnings typically then became available to assist other businesses located within the Mid-Columbia Economic Development District. An attempt is continually made to target revolved funds to businesses in the counties initially targeted for assistance under the program.

In addition to the RLFs, MCEDD assists all of the counties and Ports in the District in their efforts to accomplish their economic development strategies. Through the CEDS process MCEDD establishes regional goals and visions. For 2014, these goals included:

- Business Retention and Expansion: Enhance the retention and expansion of businesses in the Mid-Columbia/Columbia River Gorge.

- **Business Attraction:** Achieve an increase in new business to the region that will continue to diversify the economy and create sustainable opportunities, including family wage jobs, over the next ten years.
- **Infrastructure:** Facilitate the timely maintenance and improvement of public infrastructure and support scalable infrastructure development, which will contribute to increased economic opportunities.
- **Economic Resources/Entrepreneurial Environment:** Increase the Mid-Columbia region's receipt of resources for economic development initiatives, including funding, technical assistance and training.
- **Entrepreneurial Environment:** Facilitate integrative partnerships and communication across business clusters, industries, entrepreneurs, government and economic development organizations to further develop an effective economic support structure.
- **Workforce:** Regularly assess needed workforce requirements, ensuring a regional workforce that is work-ready and well-educated.
- **Bi-State Engagement:** Engage elected representatives in Oregon and Washington to advocate more effectively for the common needs of the Columbia River Gorge in support of all the other six goals.

ORGANIZATIONAL STRUCTURE – ADJUSTMENT STRATEGY

Mid-Columbia Economic Development District (MCEDD) is responsible for the management of the Revolving Loan Funds. The Board of Directors of MCEDD, through its Loan Administration Board and staff, maintain and implement the strategy and the RLF program. The Board evaluates the results of the program and amends this RLF Administrative Plan as necessary in order that the plan is consistent with the CEDS as the CEDS may be updated from time to time. MCEDD will certify semi-annually to EDA and other agencies as required that the Plan is consistent with the District strategy.

B. BUSINESS DEVELOPMENT STRATEGY

OBJECTIVES

The business development strategic objectives as part of the overall development strategy addressed by this plan are:

- Increase the capacity of existing local firms, especially those that sell outside of the area, thereby bringing dollars into the local economy.
- Prevent the loss of jobs by the closure or move of local businesses.
- Assist commercial business expansion where that will provide opportunities to dislocated workers or provide opportunities for growth and enhancement of commercial business districts.
- Encourage the development of firms that add value to local resources, such as agricultural products and wood products.

- Attract businesses that will provide additional capital and jobs to the area.
- Encourage the development of higher skill, higher wage jobs.
- Assist small businesses to incorporate new technologies.
- Assist small businesses to develop new markets.
- Diversify the types of industries to minimize the effect of downturns in certain sectors.

TARGET BUSINESS CHARACTERISTICS

Targeted businesses include all legal and legitimate businesses within the District facing financial challenges that do not allow them access to traditional bank financing. These businesses should be poised to create jobs through growth and/or expansion. Primary emphasis is on existing or new industries that pay above-average salaries on a year-round basis.

The District includes Hood River, Wasco and Sherman counties in Oregon and Skamania and Klickitat counties in Washington.

TYPES OF ASSISTANCE

MCEDD has continually engaged in ongoing efforts to identify assistance needed by businesses and identify means to meet those needs. The types of assistance MCEDD has identified as being needed by businesses and potential entrepreneurs include:

- **Financing and access to capital, especially working capital.**
- **Financing the acquisition of additional space.**
- **Gap financing that provides funds needed to span gaps between equity and other sources of funding.**
- Hands-on technical assistance.
- Management assistance.
- Workforce development and training.

The types of assistance provided by MCEDD through the loan fund are in bold. MCEDD works strategically with its partners, such as the Small Business Development Center, to ensure the other needs are addressed. MCEDD will continue to address new needs and revise this RLF plan as changes occur.

PROGRAMS AND ACTIVITIES

Mid-Columbia Economic Development District's primary role with the RLF is to provide financing and access to capital to businesses unable to access financing through traditional loans from federally insured financial institutions. This is done in concert with other programs that are available to businesses in the area and in coordination with MCEDD's other activities. MCEDD has significant knowledge and experience in

packaging multiple sources of public and private financing needed to make a job-creating project a reality. The RLF is a critical part of this effort. MCEDD continually strengthens and make even more effective the network through which key financial institutions will refer otherwise credit-worthy small businesses which are unable to receive adequate financing through private lending programs. MCEDD works directly with other public programs such as SBA, Washington and Oregon business finance programs and with local banks.

In addition to direct assistance, businesses are referred to other sources of assistance such as Port Districts, Columbia Gorge Community College Small Business Development Center, business mentors and mentorship programs, and the Oregon and Washington State Employment Departments for management and technical assistance and customized training.

C. FINANCING STRATEGY

FINANCING NEEDS AND OPPORTUNITIES

Financially challenged businesses can exist at any stage of development. The most common are start-up businesses and businesses less than three years old. Other established businesses may need help making a transition due to growth or expansion. Other formerly bankable businesses may be in an industry that is experiencing a downturn. Any business that is unable to obtain 100% of its needed financing through a traditional bank, financial institution or private investor provides an opportunity for MCEDD to utilize its RLFs. Gap financing is another growing opportunity fueled by the bank industry's conservative collateral policies and shrinking allowable Loan-to-Value percentages. Most small businesses are unable to provide the necessary resources to finance this growing gap. Without help, many small business retention and/or growth projects would go unrealized and the economies of the Mid-Columbia would be negatively impacted.

CURRENT AVAILABILITY OF FINANCING

Commercial banks and other federally insured financial institutions are providing part of the required financing for businesses, but all too often for the businesses that are growing or starting up, the terms are restrictive and not all of the needed financing is available through banks. Other private financing is available through finance companies, angel investment groups and private lenders.

Some assistance is available through state and federal programs, but these programs also have limitations which preclude funding to otherwise eligible borrowers.

Local financing resources include the Oregon and Washington Investment Boards and Mount Hood Economic Alliance. MCEDD operates the Oregon Investment Board and frequently works with borrowers to provide adequate financing through a mix of these sources. All three of these fund sources are limited.

MCEDD has multiple funds available to all five counties. Business financing needs can be met using a single fund or a combination of funds. The combining of different funds for single projects depends on the nature of the project and the counties where business is done by the project's applicant.

FINANCING NICHE

The MCEDD RLF has the ability to provide a flexible and accessible source of financing which is not otherwise available from traditional lending sources. It is most accessible and useful to growing businesses that are creating or retaining jobs. MCEDD RLF loans do not compete with banks. MCEDD's financing niche has two important components:

- a) Providing gap financing for businesses which are able to obtain only partial financing through banks, private investors or other sources
- b) Providing financing for businesses which are unable to obtain traditional financing.

MCEDD does not typically provide 100% financing of projects. MCEDD utilizes lending criteria that allows for more business risk by allowing lending to start-up businesses, businesses that have been in business for less than three years and loaning to businesses that do not meet standard accepted underwriting percentages and ratios.

MCEDD has the opportunity to provide longer terms, loans with more liberal collateral policies including subordinate lien positions, and interest rates from some loan funds that are below market rates. Financing may be provided for machinery and equipment, leasehold improvements, land and buildings and working capital

MCEDD focuses RLF funds on clients for whom credit is not otherwise available on terms and conditions that permit the completion or successful operation of the activity to be financed. MCEDD uses its RLF to fill the financing gap, left by commercial banks and other traditional financing sources; to help businesses grow, expand and create jobs in the Mid Columbia.

RLF IMPACT

MCEDD's RLF's have had significant impact since 1980, when MCEDD received its first grant to capitalize its loan funds. Since that time, MCEDD continued to expand the programs and successfully acquire a total of more than \$4.3 million in Federal and State grants and loans for the Mid-Columbia region. This amount, combined with more than \$1.9 million in local matching dollars, equals a total capitalization of more than \$6.5

million. As reported in our 2015 annual report, since 1980 MCEDD has made more than 200 loans to businesses totaling \$13.4 million. Those businesses have created or retained more than 2,000 jobs. The program has leveraged more than \$12 million in public financing and more than \$28.6 million in private financing.

The MCEDD RLF will strive to have the following impacts as funds continue to revolve:

- 1) MCEDD anticipates that these revolving loan fund programs will use repayments from the loans to continually relend, creating the potential for additional job growth.
- 2) The RLF will target and seek to maximize attraction of private sector investment.
- 3) Investments will strengthen the economy of MCEDD's region, which in turn will stimulate more investment and business activity.
- 4) RLF investments into businesses will allow further utilization of the region's infrastructure improvements and will provide increased use of industrial properties that will allow for further expansion.
- 5) The RLF will focus on jobs that can support a family and mitigate the high unemployment that has plagued the region and made worse by recent closures of major employers.
- 6) Our program staff will encourage companies to seek training and utilize and retrain local workers where applicable. When possible, RLF investments will contribute to an environment where higher-skill and higher wage jobs are created.
- 7) Targeted industries supported through the RLF will be designed to capitalize on the region's unique assets to build comparative advantages for the economic growth.
- 8) The program will seek to have full regional impact and strive to support business investments across all counties in the District.

D. FINANCING POLICIES

LOAN RELATED FEE POLICY

The following fees will be charged to the loan clients. Any of these fees may be waived at the discretion of the Loan Administration Board. None of these fees will exceed the allowable fee of the organization providing the specific funds for each individual loan for each specific fee type.

- A loan application (loan packaging) fee of up to \$150 may be collected with all loan applications that are accepted by MCEDD. This includes: incomplete applications, applications without required documentation, applications that are ultimately denied, applications withdrawn by applicant, applications for ineligible loan projects or uses, and successful applications.

- A loan fee not to exceed 2.0% of the loan amount may be charged. Loan fees for EDA funded RLF's will not exceed 1.5%.
- All third party fees associated with each individual loan, such as title insurance, appraisals, credit reports and filings fees, etc.
- All fees associated with collection of past due loans or loans in default.
- All fees associated with other financing obtained through sources outside of MCEDD.
- A prepayment penalty fee may be charged. The minimum prepayment fee is \$250, if charged, and will generally be ½% of the outstanding loan balance.

INTEREST RATE POLICY

Interest rates will be set by the Loan Administration Board based on recommendations from staff that are based on cash flow analysis and risk. Loans from an RLF will always adhere to interest rate requirements, policies and restrictions of the funding source agency providing funds for the RLF. 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.

Minimum Interest Rate: The interest rate will always equal or exceed the minimum interest rate required by the funding source agency. For EDA funded loans, the minimum interest rate will be no less than the lower of four percentage points or 75 percent below the lesser of the current money center prime interest rate quoted in the Wall Street Journal (WSJ) or the maximum interest rate allowed under state law. However, should the interest rate listed in the WSJ exceed fourteen percent, the minimum interest rate will not be required to raise above ten percent if it would compromise the ability of the RLF recipient to implement its financing strategy.

Maximum Interest Rate: The interest rate will always be less than the maximum interest rate allowed by State law or the maximum interest rate allowed by the funding source agency.

Default Interest Rate: Upon default, including failure to pay upon final maturity, the interest rate may increase by up to five (5) percentage points per annum based upon a year of 365 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable State and federal laws and applicable regulations of the funding source agencies of MCEDD's revolving loan funds, including, but not limited to Economic Development Administration (EDA).

Performance Interest Rate: Performance Interest Rate: As a performance incentive, the Loan Administration Board 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.

EQUITY POLICY

The Loan Administration Board has flexibility in requirements for new equity or cash infusions in a particular project. The Loan Administration Board will consider the financial strength of the borrower, other collateral, strength of guarantors, and other important and pertaining factors when varying from standard guidelines. This new equity can be in capital (or lien free assets) added to the project from the borrower or investor sources.

The standard guidelines for new equity or cash infusions are as follows:

- For fixed asset loans to existing companies, a minimum of 10% (percent) of the project must generally come from the borrower. This can be in capital (or lien free assets) added to the project from the borrower or investor sources.
- For loans to start-up companies, a higher percentage of 25% (percent) will usually be required.
- For working capital loans 25% or more is usually required.
- For real estate loans 25% or more is required if the Loan to Value percentage is 75% or more (or combined LTV is multiple lenders are securing real estate). 10% or more is required if the Loan to Value percentage is less than 75%.
- Equity will not include any investments made beyond the current twelve (12) month period in a borrower's assets.

STANDARD REPAYMENT TERMS POLICY

The term of the loans will not exceed the useful life of the assets being financed. The ability of the borrower to repay will also be taken into consideration. When possible, shortest terms possible without detracting from the initial and ongoing success of the borrower rather than longer terms will be set to recycle funds faster to make more loans and to reduce the risk to the RLF. Loan repayment terms that include balloon payments are allowed. The Loan Administration Board may grant deferral of principal payments for up to one year when necessary for the success of the project. During principle deferral period, the borrower must continue to make payments of the interest due on a monthly basis on the scheduled payment due date of their loan; unless otherwise decided by the Loan Administration Board. Loan terms will be equal or be less than the number of years allowed by the funding source agency or 30 years.

The following are loan terms guidelines:

Equipment Loans:	up to 10 years or the useful life of collateral equipment, whichever is the fewer number of years.
Real Estate Loans:	up to 25 years.
Working Capital Loans:	up to 5 years.
Leasehold Improvements:	up to 10 years, or the usual life of the collateral improvement or term of the lease period, whichever is the fewer number of years.

COLLATERAL POLICY

All RLF loans will be 100% collateralized. An “abundance of caution” approach will be used. The RLF will secure each loan to the maximum extent possible in the judgment of the Loan Administration Board. Security interests will be taken in available assets, both business and personal. In addition, MCEDD will obtain personal guaranties of owners with 20% or larger interest, corporate guarantees of related entities, and assignments of leases and insurance policies including hazard, flood, key man or other life policies naming MCEDD as loss payee as appropriate. Such collateral and other security may be subordinate to existing liens of record and/or liens securing other loans involved in the project. Personal guaranties may be collateralized with assets of the guarantor. The amount and type of collateral will be negotiated between MCEDD and the borrower. Generally, if a borrower has multiple loans with MCEDD from separate funds sources, the loans will be cross collateralized.

Combined Loan To Value Ratio (CLTV) requirements will be determined on an individual loan basis depending on the strength of the financial position of the borrower and the project. The gap financing this program provides often requires that MCEDD lend a higher dollar amount or at a higher loan to value percentage than ideal on physical assets to allow borrowers to have adequate cash to meet MCEDD working capital requirements. RLF loans will most often be in a subordinate lien position, therefore sufficient cash flow for debt service is considered to be of greater importance than set “loan to value” ratios.

Optimum goals for maximum Combined Loan To Value percentages are as follows:

Real Estate	90%
Equipment, furniture and fixtures	80%
Leasehold improvements	60%

Methods of valuation of assets used for collateral will be objective. Real estate will be valued by an approved licensed appraiser or by county assessor office. If a lead

lender obtains an appraisal, MCEDD may accept valuation from such appraisal rather than requiring another. Other assets types will be valued by methods that adequately show market value by use of objectively obtained market comparisons, appraisals by qualified and approved persons, or by MCEDD staff valuation. The valuation will take into consideration book value discounted according to useful life and condition. In all cases, valuation will need to show due diligence and objective evidence in addition to values provided by the borrower. Documentation of collateral values will be required in the loan file.

Working capital (current) assets will not be considered as collateral for long-term debt.

LOAN SIZE POLICY

The Loan Administration Board may determine the loan size minimum and maximums on individual loans, in accordance with any specific policies of the funding source agency for each separate RLF.

General Guidelines:

Minimum: \$5,000.00

Maximum: \$250,000.00

These guidelines are to help staff determine ideal loan size and do not limit staff from recommending a loan that is outside these guidelines.

E. PORTFOLIO STANDARDS AND TARGETS

The RLF has standards and targets for the funds within its portfolio. Achieving these targets and maintaining these standards helps insure optimum leverage of its finite funds and enhances the economies throughout the Mid-Columbia area by requiring realistic, yet aggressive job creation ratios. The Loan Administration Board may approve loans that do not reach or maintain these standards and targets. MCEDD policy does not limit or restrict loans being approved that are outside the standards and targets in the areas listed below. MCEDD will, however, ultimately try to obtain each of these percentages and staff will present information and percentages regarding each area in each individual loan proposal.

MCEDD will not approve a loan that does not meet the policies of the funding source agency that provided funds for the RLP for each specific loan.

The RLF has the following standards and targets for its portfolio as referenced below:

BUSINESS TYPES

Different types of businesses have varying economic multipliers and impact on jobs. The following are goals set by MCEDD for the percentage of loans for some of the different types of businesses. The types of businesses with higher economic multipliers and impact on jobs were allocated a higher percentage to obtain maximum economic leverage from the RLF loan fund monies.

Percentage of investment by type of business:

a.	Industrial:	60%
	Commercial:	20%
	Service:	20%
a.	New Business:	25%
	Expansion:	65%
	Retention:	10%

LOAN PURPOSE

MCEDD prefers to fund loans for the acquisition of fixed assets by small businesses. The RLF will have a goal of providing 65% or more of its loans for fixed assets. The ideal percentage of investment by purpose of the loan:

Fixed Assets:	65%
Working Capital:	35%

LEVERAGING

Leveraging of private investment from private lenders such as banks and private investment from borrower or other will be at least two dollars private for every one dollar of RLF for the portfolio as a whole. Flexibility can be used on individual loans as circumstances warrant, but the effect on each separate RLF will be taken into account and the leveraging requirements will be met for each separate RLF. Leveraging dollars must be contributed within the twelve (12) month period following approval to qualify.

COST PER JOB

The RLF will target higher skill, higher wage jobs. The creation of these types of jobs often requires larger capital investment. We will continue to attempt to create as many jobs as possible, but will favor projects with fewer higher paying jobs over projects with more but lower paying jobs. We anticipate exceeding the following goal.

The overall RLF portfolio goal for cost per job is at least 1 job for \$35,000 loaned, or less. A lower cost per job is preferable, but consideration will also be given to quality of jobs created or saved.

F. LOAN SELECTION CRITERIA

In order to meet RLF goals, in most cases, the primary loan selection criteria will focus on the following: (listed in priority)

1. Number of jobs created
2. Cost per job (a lower cost per job is better)
3. Private leveraging (more involvement of private monies is better)
4. Economic impact (industrial generally has more impact than retail)
5. Job quality (higher skill, higher paying)
6. Value added (not primary, but preferred)
7. Technology related (not primary, but preferred)
8. Utilize existing workforce or retrain existing workforce to employ local individuals (not primary, but preferred)

Eligibility of applicants, activities, purposes and projects is detailed below.

ELIGIBLE APPLICANTS

To be eligible an applicant must be:

- a. A private for-profit firm, a small business not otherwise precluded in the list of ineligible loan activities. In most cases, the business will be located in an eligible area, but the activity financed and its benefits must be within the eligible area.
- b. A general or special purpose unit of local government, or a public or private non-profit organization, with preference if the project will meet needs of a specific and committed for-profit business where job creation and leveraging goals are met. (For example, the purchase of fixed assets by such an organization to be leased to a specific small business.)
- c. Nonprofits, cooperatives and educational institutions with economic activity which demonstrate a capacity for repayment of a loan.

Applicants will be required to demonstrate that the funds are not otherwise available or are not taking the place of private financing on terms, which in the opinion of MCEDD will permit the accomplishment of the project. Applicants will provide a turn-down letter or email from a primary lender or bank or other written correspondence indicating that the bank will be unable to provide financing. Alternatively, applicants may provide a letter or email indicating that the bank is unable to provide the full financing requested and gap financing is required.

Applicants must show a reasonable assurance of repayment of loans. Among other things, this will be judged by standards of character, capacity, collateral, conditions and capital.

Applicants may not have delinquent federal, state or local government debts or liens or judgments filed against them or their property. These types of debts and liens may be allowed if an approved workout/repayment plan is in place.

Applicants must be U.S. citizens or have legal permanent residency.

ELIGIBLE PROJECTS

Eligible projects may be for expansion, start-up or retention of a business that will meet the goals of the RLF program. Loans may be for fixed assets or working capital. Loans must be for community development projects, the establishment of new businesses, expansion of existing businesses, creation of employment opportunities, or saving existing jobs. Loans may include, but are not limited to:

- a. Eligible fixed asset loans may include:
 - Land purchase costs, including engineering, legal, grading, testing, site mapping and related costs associated with acquisition and preparation of land.
 - Building construction or acquisition, including related costs including engineering, closing costs, etc provided that all laborers and mechanics employed by contractors or subcontractors on the project for projects exceeding the \$2,000 threshold for construction be paid the higher of the prevailing wage rate or Davis Bacon wage rate.
 - Machinery and equipment costs including delivery, installation, engineering, and associated related costs.
 - Other costs contributing to the value of the project fixed assets, such as taxes and interest on interim or construction financing.
 - Infrastructure costs.
 - Debt consolidation and/or refinancing of loans, if new loan will produce favorable business environment and retain or create jobs. (personal debts can be included if it can be documented that the personal debt funds were used for business purposes)
 - Business acquisitions (Must meet funding source agency requirements)
 - Pollution control and abatement

- b. Eligible working capital loans may include:
 - Inventory purchases
 - Accounts receivable financing
 - Operating expenses
 - Other non-capitalized assets

- Debt consolidation and/or refinancing of loans, if new loan will produce favorable business environment and retain or create jobs. (personal debts can be included if it can be documented that the personal debt funds were used for business purposes)
- Feasibility Studies
- Interest (Must meet funding source agency requirements)
- Reasonable fees as specified by funding source agency

INELIGIBLE LOAN ACTIVITIES AND PURPOSES

Ineligible loan activities and purposes include the following:

- Loans outside the designated eligible area of Klickitat or Skamania counties in Washington or Wasco, Sherman or Hood River counties in Oregon.
- Assistance in excess of what is needed to accomplish the purpose of the borrower's project
- Agriculture Production; unless production is 49% or less of business sales.
- Lending and investment institutions and insurance companies; Insurance agents or agencies are eligible if standard criteria is met.
- Golf courses, race tracks or gambling facilities
- Any project that is in violation of either a Federal, State, or local environmental protection law or regulation or an enforceable land use restriction unless the assistance given will result in curing or removing the violation.
- Charitable institutions that would not have revenue from sales or fees to support the operation and repay the loan, churches, organizations affiliated with or sponsored by churches, and fraternal organizations.
- A loan to a borrower, which has an application pending with or a loan outstanding from another funding source whose regulations and policies exclude the borrower from obtaining loan funds available from MCEDD.
- The transfer of business ownership, unless the loan will keep the business from closing, or prevent the loss of employment opportunities in the area, or provide expanded job opportunities.
- Loans which have the effect of relocating jobs from one labor area to another.
- Loans for the purpose of investing in accounts, securities or any other investment not related to job creation/retention.
- Speculative activities such as land banking and construction of speculative buildings that do not have specific job creating tenants committed.
- Loans for the purpose of acquiring an equity position in a private business.
- Loans to subsidize interest payments on an existing RLF loan;
- Projects that would adversely (without mitigation) impact flood plains, wetlands, significant historic or archeological properties, drinking water resources, or nonrenewable natural resources.

- Personal debt payment, consolidation or refinancing, if not associated with business.
- Refinancing existing debt, unless there is a sound economic justification for the refinancing or the funds will finance the purchase of the rights of a prior lien holder during a foreclosure action which is necessary to preclude a significant loss on an RLF loan and there is a high probability of receiving compensation from the sale of assets sufficient to cover an RLF's costs plus a reasonable portion of the outstanding RLF loan within eighteen months following the date of refinancing.
- Loans which would provide for borrowers' required equity contributions under other Federal Agencies' loan programs;
- Any illegal activity.
- Loans to principles, employees or board members of MCEDD or to organizations for which said persons are directors or officers or in which they have ownership of 20 percent or more.
- Loans that would create a conflict of interest as defined in this RLF plan.
Note: If a funding source agency has a Conflict of Interest policy that is more restrictive than the above policy, MCEDD would adhere to the Conflict of Interest policy of the funding agency.

G. PERFORMANCE ASSESSMENT

MCEDD will assess performance by comparison with the portfolio standards and targets as stated in Section E. of this RLF Plan. Other loan portfolio and individual fund data will be measured and compared to benchmarks and requirements. These include:

- Number and dollar amount of loans
- Percent of portfolio outstanding on a semi-annual basis
- Number of loans and outstanding loan balances performing as agreed compared to:
 - Number of and dollar amount of outstanding balances of delinquent loans 30 or more days past due,
 - Number of and dollar amount of outstanding balances of loans in default
 - Number of and dollar amount of outstanding balances of loans written off
- Degree of leveraging of private dollars to loan dollars
- Number of jobs created and/or retained
- Cost per job
- Capital Utilization Standard per funding source agencies

Performance of the RLF portfolio will be assessed continuously. Reports will be provided monthly to the Loan Administration Board and the Board of Directors. MCEDD will review the performance of the RLF on a semi-annual basis and certify to EDA, and other agencies as required that the RLF plan is consistent with the area's development strategy as defined in the

CEDS that the RLF is being operated in compliance with the policies and procedures contained in the RLF plan – any exceptions will be noted. The RLF Plan will be amended, as appropriate, to conform to changes in economic conditions and the Comprehensive Economic Development Strategy. Procedures and policies for Plan modifications of funding source agencies will be followed as relevant and required. Reporting guidelines, procedures and policies of other funding sources agencies will be followed as relevant and required.



ORGANIZATIONAL STRUCTURE

ADMINISTRATION

MCEDD will maintain an office open for business during regular business hours for the purpose of administering the revolving loan fund. Currently the office is located at 515 East 2nd Street, The Dalles, Oregon 97058 and the telephone number is: (541) 296-2266. Records of all loans shall be kept at the office as well as the administrative rules, procedures and other records. Professional staff services are provided at the office providing business assistance, advisory services and referral for prospective borrowers and borrowers from the RLF. All loan processing, documentation, monitoring, analysis, compliance and all other required professional and record keeping functions of the RLF are handled in this office.

The staff positions of MCEDD that work with the RLF consists of the Executive Director, Project Manager, Loan Fund Manager, Finance and Operations Manager, and Office Administrator. A third party auditor will have access to and work with the RLF and its files.

RLF LOAN ADMINISTRATION BOARD

A. AUTHORITY

The Board of Directors of MCEDD (Board) is the governing body of the regional revolving loan fund program. The Board solely has the power to administer the program and is duly empowered to receive and disburse funds, provide and contract for services, and otherwise administer a loan program. Rules, duties and authority are thereby established and delegated by the Board. The Loan Administration Board (LAB) has been delegated authority by the Board to make loan policy and make all major loan decisions. Changes and other delegations may be made as deemed necessary.

MCEDD Board:

The principal activities of the MCEDD Board, with respect to the Revolving Loan Fund, are as follows:

1. Accepts and applies for Revolving Loan Fund grants.
2. Reviews, amends and adopts Revolving Loan Fund Management Plan.
3. Provides overall policy guidance to Loan Administration Board and staff.
4. Appoints and/or replaces members of Loan Administration Board.
5. Approves RLF working arrangements with third parties, specifically commercial banks, business assistance consultants, attorneys and auditors.

MCEDD Loan Administration Board:

The Loan Administration Board has been delegated authority by the Board to make loan policy and make all major loan decisions including loan approvals and subsequent loan modifications and foreclosures.

The primary activities of the Loan Administration Board are as follows:

1. Makes decisions on final applications for loans.
2. Decides whether to call delinquent loans.
3. Decides whether to liquidate assets held as collateral.
4. Reports to MCEDD Board, summarizing fund activities based on reports from staff.

B. LOAN ADMINISTRATION BOARD STRUCTURE

The Loan Administration Board shall consist of a maximum of nine (9) and a minimum of five (5) members. Five of the members shall be county commissioners or a designated representative thereof currently serving on the MCEDD Board (one each from each of the member counties). If the MCEDD board chairman is not a county commissioner, then the MCEDD board chairman may be appointed. Up to two at-large members may be appointed as regular members and up to two-at large members may be appointed as alternate members. Alternate members have full voting privileges in the instance that a regular at large member or members is unable to attend. It is desirable that these at-large members have business, legal, or financing experience. At least one member of the Loan Administration Board must have financing/lending experience. At-large members need not be MCEDD board members. At least one member with financing/lending experience must be present when the Loan Administration Board makes a final loan decision.

Loan Administration Board members serve at the discretion of the MCEDD board and are appointed at the annual meeting. Any positions vacated during the year may be filled by appointment by the MCEDD board chairman or MCEDD Board. There shall be no limit on the number of consecutive terms a Loan Administration Board member can serve.

At the first meeting of the Loan Administration Board after the Annual meeting at which they are appointed, they shall elect from amongst themselves, a chair and a vice-chair. A quorum of the Loan Administration Board shall consist of a majority of the appointed members.

CONFLICT OF INTEREST POLICY

The Mid-Columbia Economic Development District is a unit of local government whose Board members, Loan Administration Board members and professional staff are chosen to provide public benefit. These persons have a duty to conduct the affairs of the District in a manner consistent with the mission of the District and not to advance their personal interests. This conflict of interest policy is

intended to permit the District and its Board members, Loan Administration Board members, and professional staff to identify, evaluate and address any real, potential or apparent conflict of interest that might, in fact or in appearance, call into question their duty to put the interests of the District ahead of their personal interests.

A. COVERED PERSONS

This policy applies to the District's Board members, Loan Administration Board members, and professional staff. Each Covered Person shall be required to acknowledge that they have read and are in compliance with this policy.

B. COVERED TRANSACTIONS

This policy applies to transactions between the District and a Covered Person, or between the District and another party with which the Covered Person has a significant relationship. A Covered Person is considered to have a significant relationship with another party if:

- a) The other party is a family member, including a spouse (or domestic partner or significant other), parent, sibling, child, stepchild, grandparent, and grandchild. This does not include distant relatives, such as cousins, unless the distant relative lives in the same household as the person.
- b) The other party is an entity in which the Covered Person has a material financial interest; or
- c) The Covered Person is an officer, director, trustee, partner, consultant or employee of the other party.

A Covered Transaction also includes any other transaction in which there may be an actual or perceived conflict of interest, including any transaction in which the interests of the Covered Person may be seen as competing or at odds with the interests of the District.

C. DISCLOSURE, REFRAIN FROM INFLUENCE AND RECUSAL

When a Covered Person becomes aware of a Covered Transaction, the individual has a duty to take the following actions:

- a) Immediately disclose the existence and circumstances of such Covered Transaction to the District's Chair or Executive Director.
- b) Refrain from using their personal influence to encourage the District to enter into the Covered Transaction; and
- c) Physically excuse themselves from any discussions regarding the Covered Transaction except to answer questions, including Board discussions and decisions on the subject.

D. STANDARD FOR APPROVAL OF COVERED TRANSACTIONS

The District may enter into a Covered Transaction where

- a) such Transaction does not constitute an act of self-dealing and

- b) the Board determines, acting without the participation or influence of the Covered Person and based on comparable market data, that such transaction is fair and reasonable to the District. The Board shall document the basis for this determination in the minutes of the meeting at which the Covered Transaction is considered, and shall consult with the District's legal advisor as necessary to ensure that the Transaction does not constitute an act of self-dealing.

E. LENDING ACTIVITIES

The following conflict of interest policy shall apply specifically to MCEDD's direct loan programs: No personal or private loans may be made by the District to its Board members or their immediate families as provided in 13 CFR 302.3 and in ORS 65.364. No member of the Board or their immediate families may be an officer, director, or owner of a small business concern receiving financial assistance from the District. Former Board members, Loan Administration Board members and staff are ineligible to apply for or receive loan funds for a period of two years from the date of termination of their services.

LOAN APPLICATION PROCESSING PROCEDURES

MCEDD is an equal opportunity lender and treats all applicants equally and fairly. Each applicant will be subject to the following procedures and requirements.

STANDARD LOAN APPLICATION REQUIREMENTS

All applicants for loans from the RLF shall be required to fill out a standard RLF application form and supply the additional items as indicated in the application. The following list of exhibits is attached to the application and should be submitted as appropriate:

- Business history and forecast (include management team, industry statistics, marketing niche, etc. Note: A formal business plan is preferred)
- Resumes of owners, partners or key officers, and key personnel
- Balance sheets and income statements for the last three years
- Complete IRS returns - both business and personal for the last 3 years
- Current interim balance sheet and income statement (not over 90 days old)
- Personal financial statements for each proprietor, partner or shareholder
- Cash flow projections and income statement projections for 3 years (1st year monthly)
- Schedule of long term debt
- List of collateral offered
- Environmental questionnaire
- Aging of accounts payable and/or accounts receivable

- Copy of equipment/working capital list and bids
- Site plan
- Earnest money agreements, financial agreements, contract agreements, lease/rental agreements
- Copy of bids or cost estimates by contractor
- Schedule for construction start and completion
- Appraisal
- Bank commitment or denial letter
- Legal description of property
- Evidence of acceptable zoning/land use compliance
- Articles of incorporation, by-laws and certificate of good standing if a corporation/partnership agreement/LLC organization documents
- List of any affiliates and current financial statement for each

CREDIT REPORTS

Credit reports may be obtained on applicants. Other evidence of credit worthiness documented (i.e., indication from participating bank that they have a good credit report in file or that they have good credit record with the bank or documentation of making loan payments as agreed) may be considered if a applicant has no credit references or limited credit references or negative reporting on their credit report.

APPRAISALS

Appraisals may be required on real estate pledged for collateral. If the financing is less than \$100,000, a real estate valuation from a qualified source may be substituted, such as a county property tax statement valuation. Appraisals done for a participating bank or another third party may be accepted if they are done by a licensed appraiser, who is also MCEDD approved. Appraisals are valid for 6 months after date of appraisal. Appraisals older than 6 months from the date of the appraisal may be updated by original appraiser and used as a current appraisal or accepted if approved by MCEDD staff.

ENVIRONMENTAL REVIEWS

The RLF Administrator with the assistance of appropriate staff, shall assess the significance of all environmental impacts of activities to be financed in compliance with the National Environmental Policy Act of 1969 and other Federal environmental mandates, as per the Assurances (SF 424D as revised) executed with the Economic Development Administration. No activity shall be financed which would result in a significant adverse environmental impact unless the impact is to be mitigated to the point of insignificance. When necessary to ensure compliance, any required mitigation shall be made part of the loan conditions.

No project shall be approved which would result in the alteration of or have an adverse impact on any wetland without prior consultation with the U.S. Department of the Interior, Fish and Wildlife Service, and, if applicable, obtaining a section 404 permit from the Army Corps of Engineers.

Consistent with E.O. 11988, no project shall be approved which would result in new above ground development in a 100 year flood plain. This determination will be made by reviewing the proposed development against FEMA Flood Insurance Rate Maps.

The State Historic Preservation Officer, (SHPO) shall be notified of each loan proposal that involves significant new construction or expansion and asked to submit comments on the effect of the proposed activity on historic and archaeological resources. The RLF Administrator shall work with the SHPO and EDA in cases where the SHPO has recommended actions or has been determined an adverse impact.

All loan applicants shall be requested to provide information indicating whether or not there was hazardous materials such as EPA listed (see 40 CFR 300), hazard substances, leaking underground storage tanks, asbestos, polychlorinated biphenyls (PCB), or other hazardous materials on site that have been improperly handled and have the potential of endangering public health. If deemed necessary, loan applicants may be required to perform or provide evidence of a Phase I site assessment to identify possible sources of contamination, a Phase II site assessment to test soil and/or groundwater samples, and a Phase III site remediation involving mitigation of applicable contaminants. In cases where there are unresolved site contamination issues, the RLF Administrator shall work with the loan applicant and the appropriate state environmental agency office to resolve these outstanding issues.

HISTORICAL BUILDING REVIEW

MCEDD will meet all requirements relating to historical buildings from its funding source agencies, state and federal regulations. MCEDD staff will list appropriate issues, requirements and resolutions of any issues relating to historical building requirements in its Loan Proposal to the Loan Administration. Meeting all historical building requirements will be a condition to obtaining loan funding.

COLLATERAL AND EQUITY REQUIREMENTS

Loan proposals will be evaluated as they adhere to the collateral and equity requirements listed in this revolving loan fund plan under Part I, Section D “Financing Policies.”

LOAN PROPOSALS

Loan proposals will be produced by MCEDD staff for each loan and provided to the Loan Administration Board prior to the loan decision. The loan proposal may include, but is not limited to the following:

- **Overview** – the company’s history, product, capacity and management; a discussion and analysis demonstrating the need for RLF funds and how the RLF is not replacing private lending sources; and job creation. To support the need for an RLF loan, bank support letters will serve as secondary support for the analysis.
- **Principals** – Background and experience of owners
- **Market** – A discussion of the business’s market and competitive environment.
- **Financing** - Uses and sources of project financing and collateral.
- **Credit Summary or Financial Analysis** – An analysis of the business and personal financial condition, credit reports, and repayment ability.
- **Environmental issues** – information about any environmental impact and/or required mitigation.
- **Summary** – usually points out strengths and weaknesses of the proposed loan.
- **Recommendation** – staff recommendation to the Loan Administration Board including proposed terms and conditions. Each staff recommendation will utilize prudent lending practices.
- Other topics that may be discussed in a loan proposal are collateral, jobs, MCEDD and funding source agency criteria, strengths and weakness of application.

PROCEDURES FOR LOAN DECISION

A loan decision can only be made when a quorum of the Loan Administration Board is present. After reviewing the loan proposal, the Loan Administration Board will make a decision by majority vote. The minutes of the meeting will be kept in the permanent file. The decision of the Loan Administration Board will be communicated to the applicant as soon as is practical by MCEDD staff.

- Approvals
Approvals of loan applications are granted when so voted by the Loan Administration Board. Applicants will be notified in the form of a loan commitment letter specifying the terms, structure and conditions of the loan and time period of the commitment. Other forms of notification, such as electronic may be used on individual loans and will be recorded in the client’s loan file by staff. Each loan approved will utilize prudent lending practices.
- Denials
Denials of loan applications are made when so voted by the Loan Administration Board. Applicants will be notified in the form of a denial letter, which specifies the reasons for denial and may include available

recourses. Other forms of notification, such as electronic may be used on individual loans, and will be recorded in the applicant’s loan file by MCEDD staff.

Loan applications that are withdrawn by the applicant are considered a denied loan and a denial letter will be provided to the applicant stating the reason for denial is “Withdrawn by applicant.”

- A “No decision” will be ruled when there is a tie vote. If there is a “No decision” and following discussion cannot result in breaking the tie vote, then applicant and staff will be instructed to re-visit loan application and to re-present application at a future Loan Administration Board meeting. A denial letter will be provided to the applicant, if the applicant does not re-present the application within 30 days of the “No decision” vote, unless applicant is continuing to work with MCEDD staff towards re-presenting their loan application.
- Procedure To Appeal Loan Decision
An applicant may appeal the Loan Decision by stating their intent to appeal the loan decision in writing within 45 days of the date on the loan decision letter. This written statement must list new additional relevant information. The appeal will be presented to the Loan Administration Board at the next regularly scheduled Loan Administration Board meeting. MCEDD staff may assist applicant in preparing a written statement of intent to appeal. MCEDD staff will prepare and submit a staff report and recommendation based on new additional relevant information. A loan decision on this appeal will be made by vote of the Loan Administration Board. The applicant will be informed of this decision in a written letter. The loan decision by the Loan Administration Board is final without any other appeal options available through MCEDD.

LOAN CLOSING AND DISBURSEMENT PROCEDURES

GENERAL CLOSING REQUIREMENTS

Evidence of the borrower equity injection shall be documented in the file prior to closing. A commitment letter from the private lender will be required as well, if applicable.

LOAN CLOSING DOCUMENTS

Required on all loans will be the Loan Agreement, Security Agreement and Promissory Note (or Note). For loans secured with real estate, a Trust Deed will be required. For loans using other collateral, a UCC filing will be required along with lien searches both before and after filing showing MCEDD as lien holder in the desired position approved by the Loan Administration Board. For licensed vehicles, a

title showing MCEDD as a security interest holder or lien holder will be required. Insurance policies covering collateral will be obtained by borrower with MCEDD listed appropriately as additional insured, loss payee or other designations or assignments with documentation of insurance provided to MCEDD prior to or at loan closing, as required by Loan Administration Board loan approval or as listed in the loan commitment letter.

LOAN DISBURSEMENTS

Prior to disbursement of RLF loan proceeds, the borrower must provide evidence that the purpose for which the loan was made is what the proceeds are being used for. In the case of purchase of physical assets; invoices, orders or delivery documentation will be acceptable types of evidence. For construction loans, invoices or work orders or statements of work completed will be provided and completion of work verified prior to disbursement. Disbursement prior to work being completed must be approved by Executive Director. With a loan for construction when a MCEDD loan is for permanent replacement financing; a construction lender will provide evidence that the project is complete and all terms and conditions of the construction loan are satisfied prior to any MCEDD loan fund disbursements. MCEDD will obtain title insurance ensuring that there are no construction liens on the property. The size of, and disbursement schedule for, working capital loans will be determined by MCEDD based on schedules provided by the borrower prior to loan closing.

LOAN SERVICING PROCEDURES

LOAN PAYMENT AND COLLECTION PROCEDURES

Borrowers will make loan payments directly to MCEDD at MCEDD's principle office. All loan payments are logged in and marked with the date of receipt by the employee handling the mail. Each loan payment by cash or check is given to the Office Administrator or other appropriate MCEDD staff to deposit into the bank account for the RLF. A copy of the check and deposit record is given to the loan department staff for posting to the borrower's Payment Record Ledger.

Each loan will be individually and separately maintained in the MCEDD loan portfolio software and loan payments will be recorded for each loan. This record will be referred to as the "Payment Record Ledger." The payment will be posted to the borrower's Payment Record Ledger showing the date and amount of the payment along with the breakdown of allocation to principal, interest, fees and the new balance. Each loan client will be invoiced for each payment due and a record of the previous payment will be provided to each loan client showing the application of loan payments to fees, interest and principal.

Each month MCEDD accounting records are reconciled with MCEDD Loan portfolio records to verify that the ledger posting account and amount and the deposit account

and amount are correct. This reconciliation is done by loan department staff and accounting staff.

LOAN MONITORING PROCEDURES

A tickler system is used to remind loan staff of insurance expiration dates, financial statements due or other requirements that have regular or expiring terms. Annual site visits, UCC renewals and compliance requirements are examples of tickled items. Financial statements will be required on an annual basis for all existing loan clients, usually more frequently for start-ups business loan clients. Additional reporting to MCEDD by the borrower may be requested on a loan by loan basis.

LATE PAYMENT FOLLOW-UP PROCEDURES

Borrower's Payment Record Ledgers for each loan are checked on a regular monthly basis to find any late payments. A loan that has a monthly loan payment more than 30 days past due is in technical default, although a loan that has a monthly loan payment less than 90 days past is referred to as "delinquent" or "past due." If a payment is late, the borrower is notified by staff that the payment is late. A late fee is assessed as per the terms listed in the borrower's loan agreement and security agreement. If a payment is two months late, the borrower receives a second notification from MCEDD staff. If a payment is three months late, a letter is sent or other notification made indicating that the loan is in default and possible actions may be taken. In addition, a personal telephone call or visit will be initiated by MCEDD staff within 30 days of initial delinquency and subsequently as appropriate. Every effort will be made to work with the borrower to resolve the delinquency. Modification of the terms of the loan will be used only when it can be demonstrated that the modification will improve the ability of the borrower to repay.

PROCEDURES FOR HANDLING LOANS OVER 90 DAYS IN ARREARS (PAST DUE)

If a loan becomes 90 days delinquent, this loan referred to as in default. Staff will make a recommendation to the Loan Administration Board on actions to be taken, such as repossession of collateral, foreclosure, etc. The Loan Administration Board makes decisions on such actions. Staff will ensure that all documentation is in order and will contact an attorney if necessary. Notification will be sent to all guarantors indicating their liability. Other lenders will be notified.

When monies are received by MCEDD on defaulted RLF loans, these proceeds shall be applied in the following order of priority for EDA funded loans:

1. First, towards any cost of collections.
2. Second, towards any outstanding penalties and fees.
3. Third, towards any accrued interest to the extent due and payable.
4. Fourth, towards any outstanding principal balance.

For loans funded through other funding sources, when monies are received by MCEDD on defaulted RLF loans, these proceeds shall be applied in the order dictated by the funding source agency's policies and procedures.

RESTRUCTURES

MCEDD staff may recommend terms to the MCEDD Loan Administration Board for restructuring a loan that is delinquent, in default or has the potential for delinquency in order to increase the likelihood of repayment of the loan. The MCEDD Loan Administration Board shall have the authority to authorize all restructures.

WRITE-OFF PROCEDURES

If a loan or portion of a loan remaining after liquidation of collateral is determined to be uncollectable, it will be written off. The direct write off method of accounting is used. However, collection efforts will continue after the loan is written off until it is determined by the Loan Administration Board that such efforts are no longer cost effective.

ADMINISTRATIVE PROCEDURES

PROCEDURES FOR AUDITS AND ACCOUNTING

Financial audits shall be conducted annually consistent with EDA and other funding source agencies audit requirements of all program transactions and a written report shall be provided to the MCEDD Board of Directors. An independent, established professional auditor shall be retained to conduct the audit of agency records. MCEDD shall employ recommended generally accepted accounting principles (GAAP) and accounting procedures to record and report all financial transactions. The accounting system will follow grantor guidelines and use a double entry system. Monthly financial reports shall be provided to the Board of Directors. Each RLF fund is accounted for separately. Income and expense line items are accounted for separately from principal repayments and loans made.

PROCEDURES FOR LOAN FILES AND LOAN CLOSING DOCUMENTATION

Each loan file must contain all of the documentation on that loan or provide reference as to where the required documentation is stored. Included in each file are all documents relevant to the loan including all of the following as they apply to the loan:

- Application and any other documents submitted with application, including a business plan
- Private and/or traditional lender loan commitment
- Written form of denial (letter, email or other correspondence) from a bank or other traditional lender indicating that credit is not otherwise available on terms and conditions that permit the completion of the project.
- Loan proposal
- Minutes from the loan board meeting approving the loan and minutes from meetings taking significant action related to the loan

- Loan Agreement
- Security Agreement
- Promissory Note(s) (or Note(s))
- Trust Deed(s)
- UCC filings and searches
- Insurance certificates
- Financial statements, job reports, correspondence, servicing/site visit notes and any other documentation regarding the loan.

The loan files are kept in a fireproof filing cabinet when not being used by MCEDD staff. Closed loan files and related documents and computer records and all other related records must be maintained over the term of the approved loan and for a three year period from the final date of the loan or according to the requirements of funding source agencies, which ever is the longest period of time.

Denied or withdrawn loan applications and supporting documentation and MCEDD created documents and forms associated with a denied or withdrawn loan will retained for a period of one (1) year after the date of denial or withdrawal loan or according to the requirements of funding source agencies, which ever is the longest period of time.

HOLD HARMLESS POLICY

Each MCEDD applicant is required to sign the Mid-Columbia Economic Development Revolving Loan Fund Assistance Agreement with submission of a loan application. This form contains a Hold Harmless Statement. At loan closing all borrowers will sign loan documents that contain a Hold Harmless Statement.

REPORTING

PROCEDURES FOR COMPLYING WITH EDA REPORTING REQUIREMENTS

The MCEDD Loan Fund Manager is responsible for preparing required EDA Semi-Annual reports, in consultation with the MCEDD Executive Director. The MCEDD Finance Manager is responsible for preparing the required financial reports to EDA as well as ensuring that an independent audit is sent to EDA annually, in consultation with the MCEDD Executive Director. These reports will be submitted in compliance with the deadlines and regulations established by EDA.

PROCEDURES FOR COMPLYING WITH OTHER FUNDING AGENCY REQUIREMENTS

The MCEDD Loan Fund Manager is responsible for preparing required Quarterly, Semi-Annual and Annual reports required by the applicable funding agency, in consultation with the MCEDD Executive Director. The MCEDD Finance Manager is responsible for preparing the required financial reports, in consultation with the MCEDD Executive Director, as well as ensuring that an independent audit is sent to the funding agency annually, if requested. These reports will be submitted in

compliance with deadlines and regulations established by the funding agency covered under this RLF plan.

GRANTEE CONTROL PROCEDURES FOR ENSURING COMPLIANCE WITH ALL GRANT REQUIREMENTS AND FOR MONITORING THE RLF PORTFOLIO

MCEDD staff maintains a grantee file with copies of all required reports, audits and EDA compliance manuals, guidelines and Standard Terms and Conditions. The forms used for documentation of RLF loans have been reviewed by an attorney.

RLF funds will be made available on a nondiscriminatory basis and no applicant will be denied a loan on the basis of race, color, national origin, religion, age, handicap, or sex. A provision is included in the RLF loan documents that prohibit borrowers from discriminating against employees or applicants for employment or providers of goods and services. MCEDD will monitor borrower compliance with civil rights laws periodically, by reviewing the job reports that will be submitted to MCEDD for subsequent reporting to EDA and other funding source agencies.

Confidentiality regarding financial information will be guarded at all times. Confidential information provided to MCEDD will not be disclosed without the written permission from the client; this includes third party information obtained in confidentiality by client that is not public information. Clients may sign an authorization to release information for marketing purposes which could include, but not be limited to MCEDD newsletters, press releases or Chamber of Commerce articles. No MCEDD Board, Loan Administration Board or staff member will use his or her official position or office to obtain confidential information or in any other way obtain financial gain for himself other than salary and/or reimbursement of expenses, or for any member of his household, or for any business with which he, or a member of his household, is associated.



Executive Director’s Report Prepared for the June 16, 2016 Full Board Meeting

This Executive Director’s Report provides an overview of the activities of MCEDD staff in April, May and June 2016.

Business Assistance Division

MCEDD operates loan funds to help grow local businesses. Activities included:

- The MCEDD Loan Board approved the following funding:

Client	Amount	Purpose
Cloud Cap Cycle & Board Shop	\$20,000	Start up a business in Parkdale.
Oregon Brineworks	\$38,000	Purchase equipment.

- Seckora Consulting withdrew their previously-approved loan application.
- The Oregon Investment Board approved the following funding

Client	Amount	Purpose
Downey Sleep Center, LLC	\$48,000	Purchase the business.

- Staff submitted the OIB/WIB Economic Vitality Plan, jointly with the Washington Investment Board, following consultation with the US Forest Service and Columbia River Gorge Commission. The plan is reviewed by the States prior to final submission to the USFS.
- The **Oregon and Washington Investment Boards** continue efforts to identify a pathway for the authorized and not-yet appropriated funding which totals approximately \$1.9M. In March, staff participated in a call with the director of the USFS State/Private forestry regarding the Rural Development, Forestry and Communities account. Discussion centered on clearly defining the requirements of the account. Forest Service staff committed to exploring eligibility questions for a batch of example projects. They have subsequently become more pessimistic on the use of that account. Legislative staff is working to set a meeting with USFS and USDA Rural Development to discuss the best avenue to secure funding.
- In coordination with North Central Oregon Regional Solutions, we conducted a review of the **Attainable Housing RLF** policies. The fund has particular funding parameters placed in contract with MCEDD by Business Oregon. Recommendations for revisions include expanding the Area Median Income definition, requiring the fund to only fully revolve once in nine years, offering a lower interest rate for local government projects and other minor modifications. The next step involves obtaining preliminary approval from the state agency.
- Staff submitted a response to a University of Oregon request for economic development project concepts. We requested assistance to **measure the long term impact** of our revolving loan fund programs. The University has expressed interest, but will not have student capacity under after the summer.
- Eric Nerdin has been working with a couple of applicants with large loan requests. We may provide loan packaging services under our contract with the State of Oregon.

**For additional information on our Business Assistance activities, please see the Loan Committee Report (blue enclosure).*

Contract Highlights

MCEDD worked on contract development for the following in the last two months:

- MCEDD executed an agreement with City of The Dalles to support grant administration and labor standards support for the **Columbia River Gorge Regional Airport**. The project is funded with EDA dollars.
- MCEDD drafted an IGA for our services to **Wasco County** for Economic Development. In FY17 the contract is expected to be set at \$45,000 for services.
- MCEDD drafted an IGA for our services to **Sherman County** for Economic Development for FY17 activities.
- MCEDD drafted multiple IGA's with members of the **Hood River Economic Development Group** for FY17 activities.
- MCEDD renewed our agreement with the Oregon Economic Development District Association. MCEDD provides website hosting and maintenance.
- We are working through revised agreements with Hood River County staff to continue to offer services for the **Cascade Locks-Hood River Enterprise Zone**.
- The **Gorge Technology Alliance** and MCEDD executed a new contract for FY17 staffing services.
- The Google community grant to support the Gorge Night Sky Initiative was approved.
- Staff submitted a Specialty Crop Block Grant application for the next biennium to continue support to the **Gorge Cidermasters**. The application was invited for submission and would provide \$63,455.
- We have a contract in place for a consultant to complete the marketing plan for the **Columbia Gorge Winegrowers Association**.
- MCEDD released an RFP solicitation for a photographer and web developer to support the Gorge Cidermasters in the development of visual assets and an updated website.

Infrastructure

- We are pleased to announce that the Parkdale Sanitary District project, which had a top CEDS ranking in 2015, secured USDA funding. The Board received a copy of the letter from Won Kim with the District which stated in part "On behalf of the Parkdale Sanitary District (PSD), we would like to thank MCEDD for working with us on our funding priorities for the upcoming facility improvement project. With MCEDD's approval to prioritize our project on the Community Economic Development Strategy, PSD was able to work with United States Department of Agriculture (USDA) to secure a loan/grant source. In short, we are moving forward with the potential to receive a \$1.51 million loan and a \$1.17 million grant for the improvement project. With MCEDD's board approval on to prioritize PSD's Improvement Project, we were able to secure the maximum grant amount of approximately 43%!" The CEDS ranking was critical for the project as it allowed the District to qualify for **USDA Strategic Economic and Community Development (SECD) funds**, which include projects supported through a multi-jurisdictional strategic economic community development plan. **We were the first round of communities to be funded under this program.**
- Carrie Pipinich supported the Dufur Recreation Department in submission of a grant application to Oregon State Parks for their West End Restroom replacement.

- Multiple projects from the region were submitted for consideration of Oregon Water Resources Department funding. Funding was committed for two of the projects: reservoir expansion in Hood River County for the Upper Kingsley Dam (\$3M) and two deep water wells in Mosier (\$900,000). The Department reserved a portion of the available funding in order to open a 2017 cycle.
- We received notice of legislative progress that could support the Giles French Park, a long term CEDS priority. The Water Resources Reform and Development Act of 2016 includes provisions that would allow a third party partner to collect and use recreation fees for operation, maintenance and management of an Army Corps recreational site. This authority would potentially allow a cooperative partnership for Sherman County to invest in and operate Giles French Park. A companion bill in the House and ultimate reconciliation between the two would be necessary for this to advance.
- The Columbia Gorge Regional Airport is seeking a \$65,000 grant through the WSDOT 2015-17 Airport Grant program. Funds would be used for taxiway A rehabilitation. We provided a letter of support and are also discussing options for the de-icing project listed in the CEDS.
- MCEDD provided a letter of support for the Columbia River Gorge Historic Highway TIGER grant application. TIGER funds to allow for the design and construction of the Historic Columbia River Highway State trail between Viento State Park and Perham Creek in Hood River County.
- MCEDD has been in conversation with Klickitat County staff regarding potential CDBG applications.
- Mt Hood Town Hall announced they were successful in obtaining a \$50,000 grant from the M.J. Murdock Charitable Trust for their kitchen project. The grant matches locally raised funds and previously awarded grants from the Hoover Family Trust, the Hood River Lions Foundation and USDA's Rural Business Development. MCEDD provided technical assistance to the Town Hall in seeking USDA funding.
- We are wrapping up the final elements with the Klickitat School District for their CDBG-funded Community Center. Sherry Wickert is lead on the project.
- MCEDD has two contracts to support the **Dallesport Water District**:
 - Grant administration and labor standards for a CDBG-funded water project. We supported the District in working through easement issues as they seek to move forward towards construction.
 - Grant administration for a wastewater planning project. The District recently re-issued an RFP for engineering services.
- The **City of Cascade Locks** has an agreement with MCEDD to support their CDBG-funded water system assessment project. The City is considering engaging MCEDD for further support on the implementation, which involves USDA funds.
- Individuals with the Lyle Activity Center contacted MCEDD for technical assistance and to support the identification of gap funding options. They were recently approved for funding through the legislature to support rehabilitation of the facility. MCEDD contact Klickitat County which is providing the bulk of the necessary technical assistance to support the volunteers.
- Klickitat PUD contacted MCEDD to request support for grant administration and labor standards services for their CDBG-funded water project in Wishram. MCEDD initially assisted the PUD and Klickitat County in developing the necessary income survey to qualify for the grant and the eventual application.

Regional Coordination/Economic Development Administration

MCEDD provides regional coordination activities as part of our EDA Planning grant.

- Our National Association provided the following update on HR 4487: “On the evening of May 23, the House approved by voice vote the bipartisan Public Buildings Reform and Savings Act of 2016 (H.R. 4487). The bill includes language that authorizes the U.S. Economic Development Administration (EDA) to release the federal government’s interest in connection with a grant not less than seven years after final disbursement of the grant. Currently, grant recipients are required to comply with extensive federal reporting and audit requirements forever, even if those funds were first capitalized in the 1970s. [...] The focus now turns to the Senate where the most straightforward and ideal approach would be for the Senate to take up the House-passed bill with no changes.” The provisions in this bill are important to MCEDD to end the burdensome and costly reporting placed on our EDA RLF funds.
- The MCEDD EDA annual Partnership Planning Grant was approved for base funding at \$80,000.
- EDA Seattle Region has appointed a new planning director to replace Richard Manwaring. We look forward to meeting the replacement.
- We continue to support use and expansion of the Agora Investment Platform with the following highlights:
 - Mark Heystek is working with project owners to update projects listed as priorities in the CEDS.
 - Mark Heystek conducted a training for the additional districts in which we are expanding Agora, as well as for Skamania Economic Development Council and Community Enrichment for Klickitat County which are conducting local outreach.
 - MCEDD submitted an Innovation Award application for the Agora Platform.
 - We are in conversation with USDA national staff regarding the potential expansion of Agora to additional regions across the nation.
 - We have updated the funder engagement strategy, with input from our district partners and one of the original foundation funders. We are primarily targeting outreach to foundations and state agencies. We have a meeting set with Oregon state agency directors in June.
 - As of March 24, 2016, the Platform contains 408 individual members and 129 projects.
- The 2016 Comprehensive Economic Development Strategy (CEDS) was distributed to members and posted online. See the enclosed memorandum for a discussion on activities planned for the 2017 major rework. Additional related activities include:
 - Staff scheduled a meeting with our EDA representative, David Porter, to review our CEDS project priorities.
 - MCEDD staff is discussing projects with USDA staff to identify opportunities to leverage the SECD set aside funds for our region.
 - We have set a variety of meetings with Foundation funders.
 - MCEDD staff met with CRITFC staff to discuss their priorities.
 - Save the date for the July 14th kickoff with the annual Gorge Economic Summit!

**Public Buildings Reform and Savings Act of 2016 (H.R. 4487)
Approved by the House**

- The **Connect Mid-Columbia** meeting in May provided an opportunity for review of the adopted priorities in the CEDS and discussion of projects currently seeking funding. The next scheduled Connect meeting is August 25, 2016. Jan Brending will attend the June Region 1 Area Commission on Transportation meeting on behalf of MCEDD and present on our efforts to coordinate transportation priorities and issues regionally.
- Klickitat County Strategic Plan
- I received an invitation to participate in the Summit of Northwest State Rural Development Councils in June. I will be on a panel discussing collaborations across state lines and will have the opportunity to highlight MCEDD's work for council members in Washington, Idaho and Oregon.

Project Management

- The Columbia Gorge Arts/Culture Alliance completed updates to the 2016 map. It is now posted on gorgeculture.org and maps will be distributed locally and through the PDX welcome center. MCEDD is fiscal agent for the Alliance. With the recent completion of the Gorge Rural Tourism Studios, the Alliance has been tapped to lead implementation of the cultural heritage activities.
- MCEDD staff participated in the State of Oregon's Food/Beverage roadmap meetings. MCEDD and the SBDC both received many statements of appreciation from the private sector participants in the meetings.

**For additional information on our Project Management activities, please see the Project Manager's Reports (salmon enclosures) and pipeline (yellow).*

Operations Highlights

- **Letters of Support:** Letters of support were submitted for approved ConnectOregon and Enhance projects, as well as the Historic Columbia River Highway TIGER application. We also submitted a response to the Oregon Water Resource Department as part of their public comment period.
- **Personnel:** Sherry Wickert's annual review was conducted in March. Jacque Schei's six month evaluation was conducted in April. My evaluation was conducted in May. Eric Nerdin received interim performance evaluations in May.
- **Press:** MCEDD was contacted by a writer for Gorge Magazine who is working on a story for the summer issue that is taking a look at the future of the Gorge. I completed a podcast with Gorge Newscenter: <http://gorgenewscenter.com/listen-amanda-hooey-on-whats-happening-at-mcedd/>
- **Marshall Fellowship:** I received an update on the travel dates for the Marshall Fellowship. I am scheduled to arrive in Washington DC April 18, 2017 and will travel in Europe in April and May, 2017.
- **Board:** Welcome Sue Knapp! An orientation was conducted with Sue in March.
- **Annual report:** I presented to the City of Hood River at their March 28th Council meeting. Sue Knapp and I presented in May to the City of The Dalles. She has also scheduled meetings with the cities of Antelope, Dufur and Mosier.
- **Benefits:** Due to upcoming changes in CIS benefits in 2017, we are in the process of analyzing plan benefit changes for FY18.
- **Training:** USDA Water/Wastewater Jessica and Carrie. Michele will attend the Active Transportation Conference in May. She has a scholarship to cover a portion of her costs. Mark Heystek will attend Regards to Rural and has a scholarship to cover his costs.
- Next Full Board meeting is September 8, 2016 at 4 p.m.



VISION: The Mid-Columbia region envisions a thriving and prosperous economy supporting diverse entrepreneurial opportunities that act in harmony with the area's rural qualities, values and natural resources.

Goal: Provide a safe and efficient regional transportation system to enhance the livability and economic vitality of the Mid-Columbia region.

- **Coordinate transportation investments** to support the region's economies and communities.
- **Advocate** to enhance federal, state and private investments.
- **Maintain and preserve** existing infrastructure.
- Identify, seek funding and complete priority **highway, road and bridge** transportation infrastructure projects.
- Support **regional airport** enhancements.
- Increase access to **cargo and passenger rail**.
- Improve **safety** of regional transportation network.
- Increase capacity of regional transportation network with efficient and accessible bi-state **transit** options.
- Provide modal options with facilities for **bicyclists and pedestrians**.



Transportation Advantage: Accessibility and Market Access

- **Interstates and Highways** both East/West and North/South with connecting bridges.
- **Airports:** Close proximity to Portland International Airport. Presence of regional and local airports. Life Flight services are also available from the regional airport.
- **Rail Service:** Burlington Northern and Union Pacific offer rail services for the movement of goods in Oregon and Washington. Currently, passenger rail service is only available on the Washington side.
- **River access:** The Columbia River facilitates barge traffic. This is particularly important for transporting waste and agricultural products.
- **Bicycle/Pedestrian/ Transit:** Collaboration between transit providers through the Gorge TransLink Alliance. An extensive trail system and reconnection project through the Historic Columbia River Highway.



Transportation Challenges: While market access and the mix of transportation modes available for the movement of goods and people are a distinct asset to the region, maintaining that infrastructure, and expanding it to meet growing industry and population needs, is a challenge.

<u>Aging Infrastructure</u>	Ability to maintain/sustain key assets.
<u>Business Development</u>	Business development requires enhancing transportation infrastructure to support key industries. Additionally, there is congestion in some areas, but primarily limited to heavy use recreation sites.
<u>Design</u>	Design of certain infrastructure does not meet regional needs (eg narrow bridges and low tunnels).
<u>Funding/Environment</u>	Constrained financial resources and the rural/dispersed nature of the region contribute to a challenge environment to fund expanded services.
<u>Rail and Public Transit</u>	Limited rail options, particularly passenger rail. Limited public transportation options.
<u>Safety</u>	Safety concerns are a constant challenge for the existing transportation system.
<u>Policies</u>	Differences between policies and regulations between the two states and between the states and federal policies can complicate transportation issues throughout the region.



Project Prioritization Criteria

- **Connection to strategies:** Projects tie to the broader regional comprehensive economic development strategy.
- **Community Ranking** with preference given the projects that are highly ranked by local governing bodies.
- **Economic impact** with preference given to projects with current and future job growth/retention and to those supporting economically distressed communities.
- **Regional Significance/Impact** with preference given to projects that impact the entire region or a large portion of the region, rather than a single community.
- **Geographic disbursement** with preference to ensure ranking impacts communities across the five-county region.
- **Potential availability of funding sources** with preference given to projects with a higher degree of local match and with avenues for additional funding identified.
- **Readiness to proceed.**

Projects

In no particular order, the following ten projects were identified as potential high priority in the March Connect Mid-Columbia meeting.

Project	Project
Hood River Bridge Final EIS and replacement*	Columbia Gorge Regional Airport De-icing*
Cascade Locks Exits/Truck Route*	Historic Columbia River Highway reconnection*
SR 141- combined projects (Klickitat)***	Mobility/transit projects on the TransLink Alliance priority list**
Hwy 14 (Skamania)- combined projects***	Bridge of the Gods Maintenance/Preservation*
The Dalles Bridge Redecking*	Expand/realign: Biggs Junction to Spanish Hollow Canyon; Hwy 97***

*Prioritized in 2016 Comprehensive Economic Development Strategy (CEDs)

** Listed in 2016 CEDs Strategies

*** Listed in regional plan or state vision plan

Visit www.mcedd.org for a copy of the Comprehensive Economic Development Strategy



Executive Committee Report **(June 2016)**

The MCEDD Executive Committee generally meets monthly to address business of the District. During the months of April and May, the activities of the committee included the following:

- Conducted the Executive Director performance evaluation and established goals for 2016/17. Approved a step increase effective July 1, 2016.
- Recommended adoption of Youth Protection Policies.
- Recommended selection of Lewis, Poe, Moeller, Gunderson and Roberts, LLC as the MCEDD auditor.
- Discussed the process for the 2017 Comprehensive Economic Development Strategy. Recommended creation of the CEDS Strategy Committee for the 2017 major rework.
- Approved submission of the Innovation in American Government award for the Agora Platform project.
- Discussed the obligations for the Marshall Memorial Fellowship and confirmed Amanda Hoey's participation in the program.



To: MCEDD Board of Directors
Date: May 25, 2016
From: Carrie Pipinich, Project Manager
Re: Project Management Report

Broadband

- **Columbia Gorge Broadband Consortium Regional Meeting:** Staff convened a regional coordination meeting April 14, 2016 at CGCC in The Dalles. The meeting included approximately 32 attendees from around the region who provided updates on their broadband activities. Presentations were also provided on state and federal broadband activities and programs. The next meeting will be scheduled for the fall of 2016.
- **Community Broadband Access:** Staff continues to work with Q-Life, the City of Maupin, SWA, and the Wasco County EDC to support finalizing details on the Maupin Fiber Project. Staff attended the Maupin City Council to discuss the project and met with Q-Life staff. Staff is also working with partners around continued engagement with CenturyLink related to Connect America Funds to be invested in the region. Staff is working with both Wasco County and Klickitat Counties to further dialogue with CenturyLink around community needs. Additionally, staff has convened two meetings of the Klickitat County Broadband Workgroup to discuss next steps with the CAF II investment, and additional opportunities to leverage current County investment and middle mile private infrastructure that has transitioned ownership to Wave Broadband to efficiently improve access.

Wasco County Economic Development Commission:

MCEDD provides project management support for the Wasco County Economic Development Commission supported by Wasco County.

- **EDC Quarterly Meeting:** The EDC will meet June 2nd in Dufur for its quarterly meeting. The meeting will incorporate information and updates from community organizations and the City of Dufur. In addition to the above updates, each of the committees listed below will provide updates and discuss next steps and the EDC will hold leadership elections.
- **Wamic Water Committee:** A \$20,000 planning grant from the Safe Drinking Water Revolving Loan Fund. Staff worked closely with EDC Commissioner Stan Kelsay and the Wamic Water Board to draft a scope of work that would provide them with the planning work needed to identify key investments in the system and begin exploring funding for needed projects. The planning process should finish in fall of 2016.
- **Dufur Community Projects:** Staff and the EDC's Dufur Committee members Mary Kramer and Kathy Ursprung are working with the community on several projects. The City is pursuing funding for both water and wastewater master plans to begin addressing challenges with the system around capacity and reliability. Staff are supporting them through the process. Staff and the Committee worked closely with Dufur Parks and Recreation to submit a grant application for replacement of their old RV park restroom facilities. Lastly, staff and the Committee are working closely with the City of Dufur, the Dufur Chamber of Commerce, and the Port of The Dalles to support a community visioning process for the City. Initial planning meetings have occurred, and the public process will take place in the fall of 2016.
- **Open for Business:** Staff are working closely with Committee Members Daniel Hunter, Nan Wimmers, Kathy Ursprung, and Fred Justesen to make updates to the Open for Business guides, finalize additional guides for Dufur and Maupin, and conduct further outreach around

their use. Additionally, this group will take on the EDC's portion of the Wasco County website update, hosting a training session for smaller communities around their web presence, and continuing additional coordination efforts.

- **Mosier:** The Mosier committee is focused on support for the City in its process to create a Transportation System Plan and consideration of building a new fire hall and city hall located on Route 30 on newly acquired property from BNSF.
- **Additional Activities:** The EDC welcomed Dean McAllister to the EDC to fulfill the rest of Greg Johnson's term in an at-large position focused on representing fruitgrowers. Staff attended a Water/Waste Water Infrastructure Financing session and were able to meet with potential funders. Lastly, staff worked with the EDC Chair and the Wasco County Board of Commissioners through the annual budgeting process to secure \$45,000 in funding for EDC services in the coming fiscal year.

Fermentation Cluster:

- **Cider Events:** The Hood River Chamber hosted Hard Pressed Cider Fest on April 16th, 2016. The event continued its growth pattern, and was again very successful. Staff and the Cider Society supported the Chamber with volunteers for set up and during the event. Staff are working with the Cider Camp Planning Committee to support development of a one-day, in-depth event that is planned for October 8th, 2016. The event will have stops at an orchard, a small cidery, and a large cidery and will allow attendees to experience the cider making process before ending at the Skamania Lodge Celebration of Beer.
- **Cider Marketing Activities:** Staff is working with local cideries and Blue Collar to draft a marketing strategy for the Gorge Cider Society. In conjunction with that effort, staff and the Cider Society are working to establish a social media presence. Additionally, staff have worked with the Cider Society to print a 2016 Cider Route and are working to distribute it. The updated route can be found here: <http://gorgecidersociety.com/cider-route/>.
- **2016 Speciality Crop Block Grant Application:** Staff submitted a concept proposal to Oregon Department of Agriculture for additional support for the Cider Society in February and were asked to submit a full application in May. This proposal focused on education of cider consumers, continued industry association development, and further marketing efforts.
- **Columbia Gorge Wine Growers:** Staff worked with CGWA to submit both USDA RBDG and Travel Oregon grants that were funded in 2015. Two meetings have been held with the consultant working with CGWA to develop a marketing plan. In addition, CGWA staff and their designer have developed two of three off-season itineraries to promote additional and extended visits to the Gorge for wine tourism. You can view the spring itinerary here: <http://columbiagorgewine.com/gorgewineadventures/spring-trail.html>

Other Projects

- **Oregon Connections:** MCEDD continues to work with Business Oregon's Telecommunications Office as the local host of the Oregon Connections Conference. The 2016 conference will take place October 20th and 21st at the Hood River Inn. The theme for 2016 will focus on mobility. This year's keynote speaker is Peggy Smedley of Connected World Magazine. Visit the website at oregonconnections.info for more information.
- **Hood River Economic Development Group:** The EDG came together in April with IFA Regional Coordinator Ami Keiffer to discuss upcoming infrastructure projects. Staff are also working closely with Chair Wheeler to plan for upcoming meetings and activities with the Hood River EDG group.



To: MCEDD Board of Directors
From: Jacque Schei, Project Manager
Date: May 24, 2016
Re: Project Manager's Report

Community Development Block Grant (CDBG) Support

- **Wasco County/MCCFL:** MCEDD has an agreement with Wasco County to serve as the Grant Administrator for a CDBG grant (\$2,000,000) to support MCCFL in building an approximately 20,000 square foot Community Mental Health facility on land owned by MCCFL to serve the citizens of Wasco County and surrounding counties as needed. Jacque serves as a main contact to coordinate grant activities, ensures the County meets the conditions of the grant contract, monitors progress of the project, and ensures that contractors fulfill contractual obligations. The project is currently in the Environmental Review stage. A subcontract with an architect has also recently been awarded.
- **City of Antelope:** MCEDD has an agreement with the City of Antelope to serve as the Grant Administrator for a CDBG grant (\$1,025,515.79) to support construction of its transmission mains, adding a water storage reservoir, and upsizing the water mains in the distribution network. Jacque serves as a main contact to coordinate grant activities, ensures the City meets the conditions of the grant contract, monitors progress of the project, and ensures that contractors fulfill contractual obligations. The project is currently in the Environmental Review stage.

Gorge Night Sky Project

MCEDD, the Friends of the Goldendale Observatory, and the Goldendale Chamber of Commerce are partnering together on a Gorge-wide campaign to promote energy efficiency, appropriate use of LED lighting technology for outdoor illumination, and astronomy education. The group, through MCEDD, recently received funding (\$7,500) through a Google grant to support the 'Gorge Night Sky' project. Initial work will focus on working with local vendors to gather commitments to stock Dark-Sky compliant, energy efficient LED options; working with Gorge-wide utilities and city and county governments to offer point of sale rebates; and planning a two-day educational symposium scheduled for August 18-19, 2016, at the Goldendale Observatory and the Columbia Gorge Discovery Center for lighting professionals, astronomy experts, and high end users to hear presentations and discuss issues surrounding lighting efficiency and Dark-Sky Initiatives. The Google grant will only support a portion of the work, so we are seeking additional sponsors. More details on the project and Speaker and Sponsor opportunities are available on the Gorge Night Sky website: <http://mcedd.org/services/GorgeNightSky.htm>.



To: MCEDD Board of Directors

From: Jessica Metta, Project Manager

Date: May 24, 2016

Re: Project Manager's Report

Sherman County Economic Development

The following activities are the result of the Sherman County contract with MCEDD for economic development services.

- **Downtown Improvement Plans:** Jessica has continued to touch base with the four cities on their complete plans and initiatives to move the activities forward. She is working with the County Court and the cities to determine the process for establishing business façade improvement funds in the interested communities. She is supporting the cities with funding information from her grant writing research and offers to write grants.
- **Biggs Water District:** Jessica is assisting the County in exploring the creation of a water district for the unincorporated community of Biggs Junction. The consultant Anderson Perry has created financial plans that next will be shared with the potential customers in Biggs. The County would most likely be applying for a USDA loan for the project.
- **John Day River Territory:** Jessica is working with partners to implement the Travel Oregon grant that MCEDD received on behalf of the John Day River Territory (JDRT) to construct informational tourist kiosks in the JDRT region. Jessica is also helping pull together a marketing workshop with Travel Oregon focused on agritourism businesses and developed the committee budget requests for the next fiscal year.
- **Grant Writing:** Jessica researched federal, state and private grant opportunities open to Sherman County and focused on what sources of funding might be available for the County's CEDS projects. She has reached out to some of the most likely funding sources to inquire about eligibility and reached out to project proponents to know that she is available to help with grant writing. Jessica attended an information session with Meyer Memorial Trust to learn about their newly updated granting goals. She is working on a Federal Lands Access Program grant for a possible project to improve access to the John Day for boaters using Starvation Lane and with the Sherman County Fair Board to pursue options for a new building on the Fairgrounds.
- **Other Support:** Jessica hosted a regular collaboration meeting for the four cities of Sherman County in April. She has also been working to add the County's CEDS projects to the Agora platform.

Gorge Technology Alliance

The following activities are the result of the GTA contract with MCEDD for project management services.

- **Business/ Organizational Support:**
 - **Employee Hiring Support:** Jessica is meeting with a handful of GTA Members to interview them about issues affecting their ability to hire employees. This was a key issue expressed by members recently and the GTA Board approved her focus on the issue in their 2016 Strategic Plan. Jessica will be looking for commonalities that could be improved by the GTA and developing strategies for the GTA Board to consider.

- **Partner Board Involvement:** On behalf of the GTA, Jessica participates in Board meetings for Oregon Robotics Tournament and Outreach Program and SOAR Oregon. SOAR Oregon has been reviewing grant submissions to grow the UAS industry in Oregon. Grants to Gorge companies were recently awarded to Trillium Engineering and Decavo. SOAR will present at the June 28 featured event about the program and about the Oregon Test Ranges. Jessica is also applying to join the Gorge Owned Board on behalf of MCEDD/ GTA to help coordinate efforts.
- **Other Support:** Jessica updated the GTA's Financial Policy and held annual elections for the Board of Directors and the Board officers. The Board welcomed Dave Windsor of Cardinal Glass as a new Director. She also began planning the Summer Party and held events on wearable technology and artificial intelligence. Jessica also supported the Board in issuing a member survey to provide better service to the members.
- **STEM Education Support:**
 - **STEM Career Day:** Jessica hosted the GTA's third annual STEM Career Day on April 29. About 750 seventh graders from around the MCEDD region traveled to CGCC in The Dalles to hear presentations about local careers in science, technology, engineering and math. Businesses around the region support this event with their presence and Columbia River Insurance provides sponsorship. The schools provide a lot of positive feedback on the impact of the event for students.
 - **Wind Challenge:** The GTA helped lead the organization of the Wind Challenge for the first time this year. Jessica and Jacque helped the April 30 event at The Dalles Civic went off smoothly. About 30 teams of middle and high school students attended to compete building wind turbines. Google and CGCC are key partners on the event. *Many thanks to MCEDD Board Member Mary Kramer for volunteering as a Judge!* Planning has already started for the 2017 event on March 11 at the Readiness Center.
 - **Robotics Team Sponsorship:** FIRST Tech Challenge teams from Hood River Valley High Schools won at the West coast regional tournament in Oakland, CA and advanced to the world competition in St. Louis, Missouri. The GTA sponsored their travel to Oakland and St. Louis. The team did very well, advancing further in the St. Louis event than any team has from the Gorge, but ultimately did not win. The GTA is able to support winning team travel through contributions from the tech companies to the GTA's robotics fund.
 - **Scholarship Development:** Jessica supported the GTA in its first-ever scholarship process. Fifteen applications were received from students around the Gorge. The GTA Board has approved the recipient but is waiting on final approval from the Gorge Community Foundation, the owner of the scholarship fund, before making an announcement. The student will receive a \$2,000 college scholarship based on high scores in academic merit, financial need and STEM activities past and present (and plans to pursue a STEM degree).



To: MCEDD Board of Directors
Date: May 23, 2016
From: Michele Spatz, Project and Mobility Manager
Re: Project & Mobility Manager Report

Mobility Management

- **Skamania County WET Week-end Bus:** Service for the WET bus started mid-April and there have been some unforeseen issues. USFS reduced the number of parking spaces at the Dog Mountain Trailhead by temporarily striping the parking lot. It was hoped once the parking lot was full, eastbound drivers would opt for the Park N Ride WET Shuttle option from the Stevenson County Fairgrounds. Instead, people are parking outside the restricted no parking area near the trailhead and walking on the railroad tracks or on SR14 to get to the trailhead. Vehicles parking in the marked no parking zone near the trailhead are being towed. Safety is paramount and the planning team will be looking at mitigating these issues. People also mistakenly think the shuttle is free (it is \$1.00 each way) so that has caused some hard feelings. The shuttle start time has been moved up from 10:00 am to 8:30am to better accommodate hikers' schedules. On the plus side, ridership is up: 1,299 individuals have taken the week-end WET bus to the trailhead in its first four weeks.
- **Gorge TransLink Alliance:** MCEDD's Mobility Manager facilitated a meeting of the Gorge TransLink Alliance in April. The Mobility Manager reported on the March 10th Connect Mid-Columbia meeting; Dale Robins, Senior Transportation Planner with the SW Washington Regional Transportation Council reported on both the Skamania and Klickitat County Transportation Policy Committee meetings where regional plans to apply for FASTLANE funding along with the proposed increase in tolls for the Bridge of the Gods were discussed. The Mobility Manager reported on the progress of Connect Oregon VI submitted projects and Enhance projects for both the Lower John Day ACT and the Region 1 ACT. Progress on the Gorge Transit study was also shared along with new transportation funding opportunities.
 - The Mobility Manager is working with Columbia Area Transit and the Gorge Yellow Taxi on the possible development of fixed route service to the upper Hood River Valley: Parkdale, Odell and Pine Grove into Hood River with the ability to connect with intercity service to Portland. This public/private partnership will be a first for the County.
 - The Mobility Manager is working with ODOT Region 1, Columbia Area Transit, Mt. Hood Express and Columbia Gorge Express to coordinate potential Western Federal Lands Access Program Grant requests. Due to a recent change in the funding allocation for Oregon, there are significant additional funds available for Oregon projects with a July 1st submission deadline. The partners are looking to maximize the grant funding received in support of projects within the Columbia River Gorge.
- **Gorge Transit Study** – The Columbia Gorge Express began service on May 27th with round trip service linking the Gateway Transit Center with Rooster Rock State Park and Multnomah Falls. The service will operate Friday through Sunday through Sept. 25 with 12 departures from Gateway Transit Center, the first at 8:45 a.m. The final bus of the day will leave Multnomah Falls at 6 p.m. Cost of a round trip ticket is \$5. During the service,

travelers may drive to Rooster Rock State Park, park for free and ride the shuttle at no charge to Multnomah Falls, a 10-minute ride, allowing travelers to avoid the overcrowded Falls parking lot. Each bus has rack space for three bicycles. This is a pilot project expected to be fine-tuned over the summer and offered again in 2017, when it will be further evaluated. It is designed to relieve the parking congestion and safety issues at the I-84 Multnomah Falls Parking Lot.

- **Historic Columbia River Highway Collaborative.** The Collaborative, an Oregon Solutions project, completed its work with the Declaration of Cooperation signing ceremony in the Multnomah Falls Lodge on May 11. The project helped lend support to the formation of the Columbia Gorge Express and a safety study of the parking lot and approach to the Falls from the Historic Highway yielded simple but potentially impactful solutions. It's highly likely that grant funding will be sought to implement some of the identified safety solutions.
- **Transportation Options Outreach.** The Mobility Manager partnered with Enterprise Van Pool to present a comprehensive transportation options outreach event for Insitu employees at their Hood River Waucoma location on April 13th. The Mobility Manager also shared information, including service hours and schedules, of Gorge TransLink Alliance members at the April 14th meeting of the Skamania Klickitat Community Network. The Mobility Manager presented transportation options information to the Mid-Columbia Housing Authority staff on April 18th.

ODOT Hood River Drive Less Connect Supplement

- Transportation options resources were developed and distributed to the funding partners of the Mt Hood Express: Mt. Hood Express - Clackamas County Senior Services, Sandy Area Metro; Mt. Hood Ski Bowl, The Resort at the Mountain and Timberline Lodge as well as the Sandy Area Chamber of Commerce. The resources include both print and social media pieces.

Commute Options

- The Mobility Manager shared Commute Options Partner information to MCMC staff at an outreach event on March 31st. The Mobility Manager partnered with Google to celebrate National Bike to Work Day, May 20th. Employees who rode their bike to work were treated to bicycle safety resources from ODOT's Light Up, Be Seen campaign as well as the opportunity to sign up as a Commute Options partner to earn rewards for taking alternative transportation to work.

2016 – 2019 Coordinated Human Services Transportation Plan Updates

- 776 surveys were garnered among the three county's human services agency staff, clients, the general public, including onboard surveys of those who use county transportation services. The data was presented and discussed at a stakeholders meeting held on June 3rd. Next up is to begin to draft each of Hood River, Wasco and Sherman County's Coordinated Human Services Transportation Plan updates.

Staff Development

- The Mobility Manager attended the Active Transportation Summit in Portland, OR, on March 14th and the Community Transportation Association of America One Day Intensive in Portland, OR, on May 24th.