

**COLUMBIA RIVER GORGE NATIONAL SCENIC AREA
OREGON INVESTMENT BOARD**

*******Thursday, May 23, 2019*******

****** 9:00 A.M. ******

MCEDD Office, 515 East Second Street, The Dalles

<u>Topic</u>	<u>Time</u>	<u>Item</u>
Call to Order, Conflict of Interest Disclosures Introductions	5 minutes	Information
May 15, 2019 Minutes	5 minutes	Approval
Conditional Loan Approval Modification <i>Thirsty Café, LLC</i>	5 minutes	Information
Loan Requests <i>Tectonic Cellars, LLC</i> <i>The Renewal Workshop, Inc</i>	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Other New Business, Good of the Order		
Adjournment		

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services or assistance please contact MCEDD at (541) 296-2266 at least 48 hours before the meeting so arrangements for appropriate accommodations can be made.

Executive Session Protocol Oregon Investment Board

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

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

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

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

At the end of discussion, the OIB chair will close the Executive Session. The OIB moves back to open session. At this point, the OIB Chair can ask for a motion of the decision items in open session. Open session is when the OIB can make decisions on agenda items.

**COLUMBIA RIVER GORGE NATIONAL SCENIC AREA
OREGON INVESTMENT BOARD**

Wednesday, May 15, 2019
Hood River Library Meeting Room
502 State Street, Hood River, Oregon

ATTENDANCE

OIB Members: Jack Miller, Jill Amery, John Kasberger, Craig Bowder, Jorge Barragan

Staff: Amanda Hoey, Eric Nerdin (*teleconference*), Siri Olson, Lauren Hernandez

Guests: Rick Leibowitz, Todd Meislahn, Traci Griffiths, Shawna McCormick, Michelle Sobaski, Doug Roof

CALL TO ORDER

Jack Miller called the meeting to order at 10:01 a.m. A quorum was present.

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS

Jack Miller requested any board member disclose any conflict of interest for any of the topics to be reviewed. None were noted.

MARCH 2019 MINUTES

Craig Bowder moved to approve the minutes from March 20, 2019, as presented. Jill Amery seconded the motion. Motion carried unanimously.

FINANCIAL REPORT

Siri Olson reported that for the April 2019 financials, Principal Repayments totaled \$10,803 and total Interest repaid was \$11,513. Accrued Loan Interest was \$11,547. Siri noted this amount does not include interest from loans in litigation, but it does include interest from challenged loans. There were no new loans funded in April. As of April 30, 2019, there was \$1,020,701 available to grant/loan. Siri explained the budget was presented to MCEDD's Budget Committee and was recommended to go to the MCEDD Board of Directors for approval.

Discussion: Amanda Hoey suggested the OIB discuss in executive session if it would like to continue to recognize interest from challenged loans moving forward. John Kasberger asked what the initial payment was that created the initial capital for OIB. Amanda replied the initial amount authorized by the National Scenic Act was \$5 million. Approximately \$4 million was actually appropriated. Amanda explained that in the OIB's early years, the Board did a significant amount of granting, so some of that resource was expended and not returned.

John Kasberger moved to accept the financials as presented. Jill Amery seconded the motion. Motion passed unanimously.

GRANT REQUEST: COLUMBIA GORGE COMMUNITY COLLEGE

Amanda Hoey explained Columbia Gorge Community College is seeking a \$25,000 grant from the OIB to purchase equipment and complete building improvements for the kitchen incubator. This request follows a recent grant OIB made to CGCC for \$5,000 to conduct a feasibility study to gather information for academic and facility planning for programs focusing on the food and beverage industry. The study gave a number of recommendations that focused on the kitchen incubator space. Rick Leibowitz has proposed a request with two potential routes for funding: 1.) Restructure the kitchen incubator space or 2.) Shift the shared-use kitchen to be more useful for contracted business use and bring in additional equipment. Amanda noted the staff summary reports the anticipated programs and anticipated staff the College will add. She stated that the OIB budget has restrictions on how the Board

can address grant requests. Grants can be made to non-profit organizations or institutions of higher education. Funds cannot be used for personnel expenses, among other requirements. Amanda explained CGCC's grant request is for additional equipment, but the College notes a significant investment has been made into program-related pieces around staffing. Amanda gave a brief history of the OIB's past granting history to CGCC, including a \$100,000 grant in 1998 for the kitchen remodel, a \$25,000 grant for marketing and equipment for the kitchen, and a \$5,000 grant for a feasibility study. Staff noted the feasibility study indicated significant opportunity for utilization of the kitchen space, but the concern is how the grant dollars will be used. Amanda stated Rick indicated the College would like flexibility in how it uses the funds. Staff sees opportunity in the project, but with a concern about non-programmatic match and lack of detail around the elements to be purchased with the grant dollars, the recommendation is conditional approval of partial funding of \$10,000 from the FY20 budget, as it is unlikely any reimbursement would be sought this fiscal year. The total available to grant remaining in FY19 is \$20,000. The OIB recommended \$25,000 available to grant in the FY20 budget. Amanda noted this amount is not the goal, but the maximum allowed. Amanda outlined funding alternatives from the staff summary, including approving the full amount or denying the request.

Discussion: Rick Leibowitz clarified that the project budget includes a \$12,000 non-personnel match in the budget. Amanda asked if Rick was referring to the instructional supplies budget. Rick confirmed he was. Rick explained there will be three public-use components of the program:

- 1. The College will conclude its agreement with Class Act Catering at the end of June 2019 and will then take over café operations. The shared-use kitchen will have increased use.*
- 2. Community education, training, and culinary and certificate training will be offered in the space.*
- 3. Customized training, including recipe development and cost-margin analysis for established businesses will be offered in the space.*

Craig Bowder asked if the customized training services will be marketed. Rick replied the SBDC currently offers these services but cannot charge for them. In the new program, customized training services will be fee-based, as they are time intensive to conduct. Jill Amery noted the feasibility study highlighted that the kitchen space was underutilized and asked what will be different moving forward. Rick replied there will no longer be a contractor running the café, but college staff will do so instead. There will be a staff member onsite during hours of operation to oversee how the equipment is used and to ensure no mess is left behind after use. A program manager has already been hired for this purpose. Jack Miller noted the number of employees the program will generate is low. Rick replied those numbers are only for the café specifically. If a business owner comes in to utilize the services, those businesses create jobs which are not reflected in the budget. Amanda added the FTE related to the budget tie specifically to the program. The project meets the criteria for the OIB goals of workforce training and job creation/retention. It also meets in terms of expanding the local economy. Rick stated hospitality is not only limited to the culinary aspect, but it also relates to accommodation aspects. The College will partner with Travel Oregon on offering customer service training and revenue management training for hotels, which the region has a large need for. Jack noted the OIB will discuss the grant in executive session.

LOAN REQUESTS

Amanda Hoey noted discussion would focus on loan requests from Thirsty Café, LLC and Willow and Bark, as well as on the pipeline of projects coming up in the future.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:21 a.m.

Regular Session reconvened at 11:40 a.m.

GRANT ACTION

Craig Bowder motioned to approve a \$10,000 grant to the Columbia Gorge Community College as recommended by staff. John Kasberger seconded the motion. Motion carried unanimously.

- Grant amount: \$10,000
- Deadline for project completion: June 30, 2020
- Special and standard conditions as listed in the staff report.

LOAN ACTION: THIRSTY CAFÉ, LLC

John Kasberger motioned to approve a \$30,500 OIB loan to Thirsty Café, LLC as recommended by staff. Jill Amery seconded the motion. Motion carried unanimously.

- Loan amount: \$30,500
- Interest Rate: 11.25%
- Loan Term: 36 months
- Loan Payments, collateral and conditions as listed in the staff report.

LOAN ACTION: WILLOW AND BARK

Jack Miller explained the OIB will table the request from Willow and Bark and requested Traci Griffiths provide updated information to staff.

Discussion: John Kasberger stated Traci offered information verbally that is not in the application. The Board would like to receive that information to ensure the loan request fits the requirements of the OIB. Jack stated this is not a denial, but more information is needed to meet the OIB's criteria. Rick Leibowitz noted Todd Meislahn with the SBDC has been working with Traci. Amanda Hoey noted staff will follow up with Todd on portions related to the business plan and some of the financials.

LOAN UPDATES AND REPORTS

Jack Miller noted discussion would focus on the funded loan report and loans with Sage Creek and Seufert Enterprises.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 11:50 a.m.

Jorge Barragan joined the meeting.

Regular Session reconvened at 12:18 p.m.

LOAN ACTIONS

No action was taken.

OPEN BOARD POSITIONS

Amanda Hoey explained board positions held by Tammy Miller, John Southgate, Jack Miller, and Craig Bowder are scheduled to expire this year. Tammy and Craig have indicated they would like to seek reappointment. Jack has served the maximum term and is unable to be reappointed. Amanda is unsure if John will seek reappointment, though she anticipates it is unlikely. The OIB is actively seeking representatives to fill these openings. One person has shown interest in the Hood River position. There has been discussion about Craig filling the Hood River position and advertising for the at-large position he currently fills. Amanda stated she has one lead on a person to fill the Multnomah County opening, but

this position will likely take some time to fill.

Discussion: Jack Miller noted that Doug Roof attended the meeting to observe how the OIB functions. Doug introduced himself and gave a brief background history, including experience with coaching small business owners. He relocated to Hood River three years ago.

OTHER NEW BUSINESS

Amanda Hoey stated staff received two loan applications that did not make the timeline for the May meeting. One application is time sensitive in relation to additional investment the loan applicant is receiving. Amanda explained that due to the timing related to the loan applicant's needs, a special OIB meeting will be scheduled before next month's regularly scheduled meeting to address requests.

Amanda noted Eric Nerdin's last day is May 22nd, and his send-off celebration will be on May 21st.

Discussion: Jack Miller asked about the progress of filling the Loan Fund Manager position. Amanda replied the position closes today, and many applications were received. The position is an important one to fill, and Amanda stated she did not want to rush the decision. There will not be somebody on board before Eric's departure, but staff will offer some fill-in until a new person is on board.

ADJOURNMENT: The meeting was adjourned at 12:22 p.m.

Respectfully submitted by Lauren Hernandez, Office Administrator