



Mid-Columbia Economic Development District

MCEDD Loan Administration Board Meeting
Tuesday, May 2, 2017
8:00am

MCEDD Office, 515 East Second Street, The Dalles

AGENDA

<u>Topic</u>	<u>Estimated Time</u>	<u>Item</u>
Call to Order, Introductions Conflict of Interest Disclosures		
Loan Administration Board Minutes <i>April 4, 2017</i>	5 minutes	Approval
Loan Request Freeborn Designs, LLC	5 minutes	Information
Loan Modification Requests F&B 1, LLC dba Pita Pit Northwest Pediatrics & Adolescent Medicine, LLC	10 minutes	Information
Loan Updates LDB Beverage Company Happy Endings, LLC dba Dirty Fingers Bicycles	10 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Activity and Updates	10 minutes	Information
Other New Business		
Adjourn		

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

Executive Session Protocol MCEDD Loan Administration Board

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

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

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

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

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

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

Tuesday, April 4, 2017
8:00 AM
MCEDD OFFICE, 515 East 2nd Street, The Dalles

ATTENDANCE:

BOARD: Scott Clements (teleconference), Bob Hamlin (teleconference), AJ Tarnasky (teleconference), Bob Benton (teleconference), Rex Johnston (teleconference) and Rod Runyon

STAFF: Eric Nerdin, Sherry Bohn, Jessica Metta and Amanda Hoey

GUEST: Travis Dillard (teleconference)

CALL TO ORDER:

Scott Clements called the meeting to order at 8:01 a.m. A quorum was present. A round of introductions took place. Scott requested that any Board member disclose any conflict of interests for any of the topics to be reviewed today. None were noted.

LOAN ADMINISTRATION BOARD MINUTES

Amanda Hoey noted minute corrections included the spelling of Dillon Borton's name, the addition of the attendance of Jessica Metta and the corrected date to the minutes for approval should be March 7, 2017. Bob Hamlin moved to approve the minutes from March 22, 2017 as corrected. Bob Benton seconded the motion. Motion passed unanimously.

LOAN REQUEST: THE HONALD BUILDING, LLC:

Eric Nerdin presented a loan request from The Honald Building, LLC for a \$250,000 loan to construct nine long term apartment units on the second floor of a commercial building known as the Honald Building, located at 400 E. 2nd Street, The Dalles, Oregon.

LOAN MODIFICATION REQUEST: VAN KESSEL, INC dba CROWN PRINTS:

Eric Nerdin presented a loan modification request from Van Kessel, Inc. dba Crown Prints that in lieu of subordinating MCEDD loan #87-02-01 collateral of Dorothy Van Kessel's and Dennis Ervin's personal residence to a new 1st position mortgage by a "to be determined" lender to allow for a cash out refinance to fund a major remodel of this residence, allow for the full conveyance of trust deed and recording of a new trust deed after the 1st mortgage trust deed is recorded.

EXECUTIVE SESSION

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:04 a.m.

Travis Dillard left the meeting at 8:10 a.m.

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

LOAN REQUEST DECISION: THE HONALD BUILDING, LLC:

Rex Johnston moved to approve the loan request from The Honald Building, LLC as recommended by staff. Bob Hamlin seconded the motion. Motion passed unanimously.

Terms:

- Loan amount: \$250,000.00
(Actual loan amount will equal amount of disbursements)
- Interest Rate: 4.75% Fixed interest rate
- Loan Term: 72 months
- Loan Payment: Accrued interest only for twelve (12) month construction draw down, then \$1,425.00 per month for sixty (60) months with an approximate balloon payment of \$221,450 due on the 15th of the 73rd month. (This is **NOT** a fully amortized loan. A 180 month (15 year) amortization was used to calculate the monthly principal and interest payments.)
- Loan Fees: 1%; Attainable Housing Development Loan (\$2,500)
- Collateral and Conditions: As presented in the staff report

LOAN MODIFICATION REQUEST DECISION: VAN KESSEL, INC dba CROWN

PRINTS:

Rod Runyon moved to approve the loan modification request from Van Kessel, Inc. dba Crown Prints as recommended by staff. Motion died for lack of second.

Discussion: AJ Tarnasky asked why staff was not requiring additional title insurance. Eric Nerdin stated that title insurance was already in place but the board could require additional. AJ Tarnasky noted that if the Trust Deed is reconveyed, the title insurance would no longer be active.

Bob Benton moved to approve the loan request from Van Kessel, Inc. dba Crown Prints as recommended by staff with the additional title insurance requirement. Rod Runyon seconded the motion. Motion failed four opposed (Johnston, Hamlin, Clements and Tarnasky) and two in favor (Benton and Runyon).

AJ Tarnasky moved to deny the loan modification request from Van Kessel, Inc. dba Crown Prints. Rex Johnston seconded the motion. Motion passed with four in favor (Tarnasky, Johnston, Clements and Hamlin) and two opposed (Benton and Runyon).

Discussion: Scott Clements asked if a lump sum covering the total loan amount could be kept in escrow until the title cleared and the loan was re-recorded.

Rex Johnston moved to approve the reconveyance of the trust deed and recording of the new trust deed if a cash lump sum was held in escrow in the amount to cover the full loan until the trust deed was re-recorded. Bob Hamlin seconded the motion as amended. Motion passed unanimously.

Discussion: Rod Runyon asked to clarify if the additional title insurance would still be required in this instance. Staff stated that it would.

ADJOURNMENT: Having no other new business, the meeting was adjourned at 8:43a.m.

Respectfully submitted by Sherry Bohn, MCEDD Office Administrator