

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

*******Wednesday, January 13, 2020*******

****** 10:00 A.M. ******

Remote Only

Call 541-296-2266 or email ami@mcedd.org for remote access

<u>Topic</u>	<u>Time</u>	<u>Item</u>
Call to Order, Introductions	5 minutes	Information
Minutes <i>December 8, 2020</i>	5 minutes	Approval
Financial Report <i>November and December 2020</i>	10 minutes	Approval
Video Marketing Project	10 minutes	Information
Economic Vitality Plan Update: OIB Section	10 minutes	Information
Funded Loans Updates	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Other Staff Updates Multnomah County Appointment Federal Appropriations	5 minutes	Information
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**

Tuesday, December 8, 2020
Remote Only – Zoom Meeting

ATTENDANCE

OIB Members: Craig Bowder, Jorge Barragan, Doug Roof, John Kasberger, Jill Amery and Tammy Miller

Staff: Jessica Metta (Executive Director), Israel Ayala Guevara (Loan Fund Manager), Ami Beaver (Assistant Project Manager)

Guests: Romul and Lillie Grivov

CALL TO ORDER

Jill Amery called the meeting to order at 10:00 a.m. A quorum was present.

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS

Jill Amery requested board members disclose any conflict of interest for any of the topics to be reviewed. Doug Roof noted Romul and Lillie Grivov are neighbors. John Kasberger noted his employer holds 1st position on the Seufert item. Jill clarified the conflict of interest policy, noting Doug could vote if comfortable.

NOVEMBER MINUTES

Jill asked if there were any edits to the minutes. None were noted.

Craig Bowder moved to approve the minutes from November 2020. Doug Roof seconded the motion. The motion passed unanimously.

LOAN MODIFICATION REQUESTS: ROMUL'S WEST LLC

Israel noted that he would be presenting a loan modification request from Romul's West LLC.

EXECUTIVE SESSION

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:03 a.m.

Tammy Miller joined the meeting.

Regular session reconvened at 11:00 am

LOAN ACTIONS

Tammy Miller motioned to approve the staff recommendation to extend the due date of the balloon payment for six months and continue with interest only payments with the additional condition of making sure client is engaged in counseling with SBDC or other support to gain a clearer picture of debt and balance sheet. Jorge Barragan seconded. The motion passed with 5 yes votes and one abstention (Roof).

Lillie Grivov shared her appreciation for the support and expressed that the year has been very challenging for them. She also asked for support from Israel on their UCC filing.

Jill noted we will re-enter executive session to discuss Seufert Enterprises.

EXECUTIVE SESSION

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 11:07 a.m.

Regular session reconvened at 11:11 a.m. No actions were taken.

OTHER NEW BUSINESS, GOOD OF THE ORDER

Jessica noted that regarding a new meeting date and time, she has heard from most of the board and the second Wednesday at 10 am is the best time for those who have responded. She also noted that packets for the Bi-State Advisory Council meeting should be going out this week.

Craig asked if there were updates on the county business support grants. Jessica noted Hood River County approved contracting with MCEDD and approved their criteria. She said they are finalizing the applications for Wasco and Hood River Counties and getting them translated into Spanish. She noted Wasco will likely open before Hood River County. She will share the information with the Board and send out a press release once those dates are finalized. She noted the deadline to get all funds spent is December 31st, and MCEDD staff Carrie Pipinich will lead the process.

The meeting was adjourned at 11:14 a.m.

OIB FINANCIAL SUMMARY

REPORT PERIOD: November 2020

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
CASH BALANCE AS OF 06/30/20	1,357,731		-
Less Payables	(1,314)		-
Plus Accounts Receivable	11,612		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)			-
ADJUSTED CASH BALANCE 06/30/20	1,368,029	-	-
INCOME			
Interest	38,727	30,212	8,515
Loan Processing & Fees	1,815	1,815	-
Loan Late Fees	135	135	-
Other Revenue	-	-	-
Invested Interest	276	240	36
TOTAL INCOME	40,953	32,402	8,551
PRINCIPAL REPAYMENTS	107,367	92,538	14,828
REVENUE BEFORE DISBURSEMENTS	148,320	124,941	23,379
EXPENSES AND PAYMENTS			
Grants Disbursed FY20	-	-	-
Loans Disbursed	-	-	-
Converted to Principal	-	-	-
Bank Service Charges	41	33	8
Professional Services	44,639	36,204	8,434
TOTAL EXPENSES AND PAYMENTS	44,680	36,237	8,443
ADJUSTED CASH BALANCE	1,471,669	88,703	14,937
LESS:			
Approved Grants not Disbursed	-		
Encumbered Pilot Program Funds	(280,000)		
Approved Loans not yet Disbursed	-		
Interest Receivable at Period End	8,226 *		
AVAILABLE TO GRANT/LOAN	1,199,895		
LOANS RECEIVABLE BALANCE	1,461,813 ^		
PROOF:			
Cash Balance After Reconciliations - November 30, 2020	1,471,886 ^		
Less Payables	(8,443)		
Plus Interest Receivable	8,226		
ADJUSTED CASH BALANCE	1,471,669		

Mid-Columbia Economic Development District Balance Sheet - OIB

November 30, 2020

ASSETS

Current Assets

Checking/Savings

1000 · Bank Demand Deposits

1070 · National Scenic Fund

1,471,885.56

Total 1000 · Bank Demand Deposits

1,471,885.56

Total Checking/Savings

1,471,885.56

Other Current Assets

1200 · Receivables & Accruals

1202 · Accounts Receivable

1222 · Year or Grnt End Receivables

1260 · Accrued Loan Interest

8,225.96

Total 1200 · Receivables & Accruals

8,225.96

1300 · Loans Receivable

1370 · OIB Loans Receivable

1,446,984.91

Total 1300 · Loans Receivable

1,446,984.91

1475 · OIB Holding

1500 · Allowance for Doubtful Loans

1575 · OIB Allowance

-148,149.53

Total 1500 · Allowance for Doubtful Loans

-148,149.53

Total Other Current Assets

1,307,061.34

Total Current Assets

2,778,946.90

TOTAL ASSETS

2,778,946.90

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 · A/P General

8,442.51

Total Accounts Payable

8,442.51

Total Current Liabilities

8,442.51

Total Liabilities

8,442.51

Equity

3100 · Fund Balances

2,560,916.75

Pilot Program Fund Balance

280,000.00

Net Income

-70,412.36

Total Equity

2,770,504.39

TOTAL LIABILITIES & EQUITY

2,778,946.90

Mid-Columbia Economic Development District

Profit & Loss - OIB E975

November 2020

	<u>Nov 20</u>
Ordinary Income/Expense	
Income	
4600 · Loan Interest	8,514.65
4700 · Loan Processing Fees	0.00
4710 · Loan Late Fee	0.00
4750 · Investment Interest	36.32
	<hr/>
Total Income	8,550.97
	<hr/>
Gross Profit	8,550.97
Expense	
6400 · Professional Services	
6410 · Legal Services	440.00
6450 · Contractual	7,994.17
	<hr/>
Total 6400 · Professional Services	8,434.17
6900 · Other Materials & Supplies	
6931 · ACH Collection Fees	8.34
	<hr/>
Total 6900 · Other Materials & Supplies	8.34
	<hr/>
Total Expense	8,442.51
	<hr/>
Net Ordinary Income	108.46
	<hr/>
Net Income	<u><u>108.46</u></u>

OIB FINANCIAL SUMMARY

REPORT PERIOD: December 2020

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
CASH BALANCE AS OF 06/30/20	1,357,731		-
Less Payables	(1,314)		-
Plus Accounts Receivable	11,612		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)			-
ADJUSTED CASH BALANCE 06/30/20	1,368,029	-	-
INCOME			
Interest	47,385	38,727	8,658
Loan Processing & Fees	1,827	1,815	11
Loan Late Fees	192	135	57
Other Revenue	-	-	-
Invested Interest	314	276	38
TOTAL INCOME	49,718	40,953	8,765
PRINCIPAL REPAYMENTS	132,680	107,367	25,313
REVENUE BEFORE DISBURSEMENTS	182,397	148,320	34,078
EXPENSES AND PAYMENTS			
Grants Disbursed FY20	-	-	-
Loans Disbursed	-	-	-
Converted to Principal	-	-	-
Bank Service Charges	49	41	8
Professional Services	52,922	44,639	8,283
TOTAL EXPENSES AND PAYMENTS	52,971	44,680	8,291
ADJUSTED CASH BALANCE	1,497,456	103,640	25,787
LESS:			
Approved Grants not Disbursed	-		
Encumbered Pilot Program Funds	(280,000)		
Approved Loans not yet Disbursed	-		
Interest Receivable at Period End	10,065 *		
AVAILABLE TO GRANT/LOAN	1,227,521		
LOANS RECEIVABLE BALANCE	1,421,672 ^		
PROOF:			
Cash Balance After Reconciliations - December 31, 2020	1,495,682 ^		
Less Payables	(8,291)		
Plus Interest Receivable	10,065		
ADJUSTED CASH BALANCE	1,497,456		

Mid-Columbia Economic Development District Balance Sheet - OIB

December 31, 2020

ASSETS

Current Assets

Checking/Savings

1000 · Bank Demand Deposits

1070 · National Scenic Fund

1,495,681.65

Total 1000 · Bank Demand Deposits

1,495,681.65

Total Checking/Savings

1,495,681.65

Other Current Assets

1200 · Receivables & Accruals

1202 · Accounts Receivable

1222 · Year or Grnt End Receivables

1260 · Accrued Loan Interest

10,064.98

Total 1200 · Receivables & Accruals

10,064.98

1300 · Loans Receivable

1370 · OIB Loans Receivable

1,421,671.93

Total 1300 · Loans Receivable

1,421,671.93

1475 · OIB Holding

1500 · Allowance for Doubtful Loans

1575 · OIB Allowance

-148,149.53

Total 1500 · Allowance for Doubtful Loans

-148,149.53

Total Other Current Assets

1,283,587.38

Total Current Assets

2,779,269.03

TOTAL ASSETS

2,779,269.03

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 · A/P General

8,291.02

Total Accounts Payable

8,291.02

Total Current Liabilities

8,291.02

Total Liabilities

8,291.02

Equity

3100 · Fund Balances

2,560,916.75

Pilot Program Fund Balance

280,000.00

Net Income

-69,938.74

Total Equity

2,770,978.01

TOTAL LIABILITIES & EQUITY

2,779,269.03

Mid-Columbia Economic Development District

Profit & Loss - OIB E975

December 2020

	<u>Dec 20</u>
Ordinary Income/Expense	
Income	
4600 · Loan Interest	8,658.01
4700 · Loan Processing Fees	11.36
4710 · Loan Late Fee	56.89
4750 · Investment Interest	38.38
	<u>8,764.64</u>
Total Income	8,764.64
Gross Profit	8,764.64
Expense	
6400 · Professional Services	
6410 · Legal Services	289.07
6450 · Contractual	7,994.17
	<u>8,283.24</u>
Total 6400 · Professional Services	8,283.24
6900 · Other Materials & Supplies	
6931 · ACH Collection Fees	7.78
	<u>7.78</u>
Total 6900 · Other Materials & Supplies	7.78
Total Expense	8,291.02
Net Ordinary Income	473.62
Net Income	<u><u>473.62</u></u>

Memorandum

To: Oregon Investment Board
From: Jessica Metta, OIB Staff
RE: OIB Section for Economic Vitality Plan Update
Date: January 6, 2021

Overview

At the December 2020 Bi-State Advisory Council meeting, we began the five-year update of the Economic Vitality Plan. The last plan was completed in 2016. An update to the plan is generally initiated by the Investment Boards through the Bi-State Advisory Council, with support from the Gorge Commission and approval through the respective states.

The plan provides overall guidance in acceptable uses for funds and acts as a guideline for the Boards. The plan is a broad document referencing a Memorandum of Understanding with the states, which further references Board-adopted loan/grant policy and bylaws. The 2010 update consolidated the Oregon and Washington updates into one plan. While economic development funds are administered separately by each state, the coordinated plan reflects the status of the Columbia River Gorge National Scenic Area Act as one geographic region. It creates a similar look between the two states' plans, includes a process for future revisions and timeframe and was strategically designed to allow us to administer new funds if appropriated.

Request

The plan includes specific sections for solely the OIB and solely the Washington Investment Board. At the January OIB meeting, staff requests the OIB provide any suggestions for the OIB section of the plan. The 2016 version with edits noted is included in your packet.

DRAFT

The Oregon Investment Board

Economic Vitality Plan

~~2016~~ 2021 Update

Mission

As economic development is one of the two purposes of the Columbia River Gorge National Scenic Area Act, the mission of the Oregon Investment Board is to strengthen and diversify the economy of the National Scenic Area to increase economic prosperity and job opportunities, while protecting and enhancing the quality of life. The OIB will seek opportunities to develop a synergistic relationship with the Washington Investment Board, working cooperatively to support the entire economy of the National Scenic Area in Oregon and Washington.

Purpose and Principles

The *purpose* of this Economic Development Plan is to present Oregon's plan for National Scenic Area Act funding to strengthen and diversify the economy of the National Scenic Area and its counties. It sets forth a vision and strategies for enhancing the economy and quality of life of Oregon communities located within the Columbia River Gorge National Scenic Area. The Plan also describes how the monies granted from the federal government, and other potential funding sources, will be used to fund economic development loans and grants within Oregon's National Scenic Area. The plan is designed to utilize limited National Scenic Area Act funds as a catalyst for improving the region's economic vitality. The Plan promotes a regional perspective in order to achieve an improved economy throughout the National Scenic Area and to protect other values identified within the Scenic Act.

The *guiding principles* of Oregon's Plan include:

- The Plan is consistent with the provisions of the National Scenic Area Act and its Management Plan;
- The Plan is based upon a regional approach that considers the unique needs and opportunities identified at the local level, and creative, synergistic opportunities afforded by communities working together to build a strong regional economy; and,
- The Plan includes an ongoing economic development fund, consistent with the ongoing designation of the National Scenic Area.
- Focus on economic stabilization, diversification, job creation, and workforce training by helping existing and emerging businesses.
- Capitalize on the comparative advantages and economic strengths of the National Scenic Area.
- Revitalize communities and provide gap-financing for expanding infrastructure capacity.
- Provide a Gorge-wide planning framework for improving economic vitality in the entire Scenic Area.

The economic development activities in this plan are guidelines and are subject to revision by the Board through the established policies and procedures.

Funding Priorities

Funds will be awarded within Multnomah, Hood River, and Wasco County portions of the National Scenic Area on the competitive basis of project feasibility and sustainable long-term economic benefit to these counties and the National Scenic Area. Investments must be consistent with the National Scenic Area and the Gorge Commission's Management Plan. Funds will not be used for program administration or to relocate a business from one community to another. Wide geographic distribution of funds, leverage of other funds, and stimulation of private investment will be considerations for all investment decisions.

The Oregon Investment Board establishes specific criteria and other guidelines for loans, grants, and other investments made through the Oregon Investment Board funds. These criteria and guidelines may be reviewed periodically and updated by the Board without amending or updating the Economic Vitality Plan. The criteria address:

- Maximum loan and grant amounts,
- Loan interest rates, terms, and fees,
- Eligible entities for funding,
- Mandatory investment criteria,
- Relative investment criteria,
- Ineligible activities,
- Reporting and performance measures,
- Conflicts of interest, and
- Other factors as deemed appropriate by the Investment Board.

Goals

The primary goal of the Plan is to increase employment opportunities and achieve greater economic diversity for the region. Within the context, the specific goals of the Plan are:

- Create jobs, emphasizing family wage jobs
Increase local employment. Focus on increasing median income/wages.
- Focus on workforce training and development
Provide or enhance education and training programs for existing businesses as well as new industries targeted for recruitment.
- Expand the economy
Expand the region's traditional economic base.
- Diversify the economy
Diversify the region's traditional economic base such as tourism, light industrial industries, and projects that are environmentally compatible and consistent with the goals of the NSA.
- Increase the regions tax base

Aid in the construction or purchase of assets that will be added to the property tax base.

- Sell area's products outside the region
Assist with marketing and promotion of the region's products and services outside the local market area.
- Add value to region's products
Increase the potential for adding value to the region's traditional resource-based industries (agriculture and forest products).
- Help develop new products
Help develop and promote new value-added enterprises and products that increase local employment and incomes.
- Provide support for adequate public infrastructure
Provide the gap financing necessary to complete required planning projects or construct public infrastructure.
- Leverage use of available resources
Project provides the needed matching funds to leverage other grants and loans as the final financing piece. Project offers in-kind time and the use of internal resources to ensure project success.

Allocation and Use of Resources

Revolving Loan Program

The Oregon Investment Board Revolving Loan Fund ("RLF") has been established to provide an ongoing economic development fund, consistent with the ongoing designation of the National Scenic Area. To maximize the impact of the RLF Program monies in meeting the investment principles, the funds will be targeted for projects that contribute towards achieving the Oregon Economic Development Program goals. The Oregon Investment Board is the governing body of the RLF Program and is duly empowered to receive and disburse funds, provide and contract for services, and otherwise administer the program. All new funds made available to the Board will be deposited in the RLF Program to make loans and grants for economic development purposes.

The RLF will be administered by the entity designated by the Oregon Investment Board. **A commercial bank providing FDIC insurance will serve as the depository of the loan Funds.**

Grant Program

The Oregon Investment Board makes grant funding available to nonprofit organizations and local governments offering employment and furthering the economic well-being of the National Scenic Area. Grants are available on a competitive basis, based on how the project meets the goals and strategies of the Plan.

Grants are also available to for-profit entities under the following circumstances: grants are generally for, but not restricted to, cooperative regional marketing, planning/pre-development, and training

programs, and generally not for projects that would give a business an unfair competitive advantage over another in the local region.

Funding Allocation

The majority of the funds allocated for economic development are designated for business loans and investments, community development, and infrastructure. The experience of the Board through 2021 shows an allocation of fund usage including **45% for business assistance loans, 24% for infrastructure loans, and 21% for grants.** In order to preserve the corpus, in the absence of other funding resources, the board annually sets targets for loans and grants. Grants are targeted at a lower level and related to program income in order to maintain adequate funding for the entire program. For the revolving loan fund program, the funds are targeted to reflect the local needs, but no designation or targets are set for the percentage of funds available for loans versus grants. The Plan is designed to create an ongoing program for economic development and to provide a responsive structure to allow for opportunity-driven investments in the region.

Community Impact

Project funding awarded through OIB helps to ***strengthen and diversify the economy*** of the region. Projects funded through Fiscal Year 2015-2020 show:

Sustained Impact. As of FY 2015-2020, the Oregon Investment Board has received four appropriations totaling \$4,001,750. The Board has approved grants and loans (by utilizing revolved funds) totaling more than \$~~8.39.8~~ million.

Public and Private Leveraging. Historically, projects receiving funding through the Investment Board have leveraged non-federal contributions, on average, of ~~more than~~ \$3 to every \$1 of federal investment. The OIB has leveraged over \$28.5 million in private and public funds.

Job Creation/Retention. Funds provided through grants and loans to support infrastructure, business assistance, and workforce development are also targeted to support job creation and retention. The Board has provided funding to projects to directly create or retain ~~more than 600~~ nearly 700 jobs, measured at final disbursement of OIB funds. The number of jobs created continues to increase for many of these projects as the initial OIB investment spurs future growth. Job creation and retention figures will further increase as the funds are revolved into new grants and loans.