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## Loan Program Advisory Committee

### AGENDA

October 26, 2017

9:00 a.m.

Cascades West Center  
1400 Queen Avenue SE  
Albany, OR. 97322

1. **Approval of Previous Meeting Minutes** (*Chair Sharon Konopa*)  
(9:00 – 9:05 a.m.)

Minutes of the May 4, 2017 LPAC meeting will be reviewed for approval.

**ACTION: Motion to approve the May 4, 2017 Loan Program Advisory Committee meeting minutes.**

2. **Loan Program Advisory Committee Vacancy Update** (*CED Director Phil Warnock*)  
(9:05 – 9:20 a.m.)

Staff will update members on the recruitment of a Commercial Lender.

**ACTION:**

3. **Loan Activity Report** (*Staff Sandra Easdale*)  
(9:40 – 9:45 a.m.)

Staff will provide an update on lending activity.

4. **Other Business**  
(9:45 – 9:50 a.m.)

5. **Adjournment**  
(9:50 a.m.)

**CASCADES WEST COUNCIL OF GOVERNMENTS  
LOAN PROGRAM ADVISORY COMMITTEE MEETING  
DRAFT MINUTES**

Thursday, April 28, 2016  
10:00 – 11:00 am

<b>Cascades West Center 1400 Queen Ave SE Albany, Oregon</b>
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**Members Present:** Commissioner Bill Hall, Mayor Biff Traber, Councilor Dann Cutter, and Mayor Sharon Konopa

**Staff Present:** Fred Abousleman, Phil Warnock, Sandra Easdale, and Emma Chavez

**1. Call to Order**

The Chair, Mayor Konopa called the meeting to order at 8:40 am.

**2. Review of Minutes from the April 28th and October 20th, 2016 Meetings**

Mayor Konopa called for a motion on the minutes.

**ACTION: Motion to approve the minutes from the April 28th and October 20th, 2016 LPAC meetings made by Commissioner Hall, seconded by Councilor Cutter. Motion carried.**

**3. Committee Vacancy**

The Loan Program Advisory Committee (LPAC) has had a vacancy since Kate Porsche's departure from the City of Albany. The LPAC has not had a Commercial Lender serve on the LPAC for some time. Staff is proposing to reach out to a couple of individuals from Citizens Bank and Oregon State Credit Union. This would be with the understanding that when a loan with either bank is in discussion, they would abstain from motion. Abousleman noted that the COG has a great relationship with Oregon State Credit Union and that they are a great community partner.

Members discussed and instructed staff to reach out to Oregon State Credit Union for representation on the LPAC.

**4. Review of 2016 USDA (IRP) Audit**

Warnock reported that the 2016 USDA audit came back positive in both categorical areas that are reviewed. He commended staff Easdale for her diligent work throughout the years and the positive feedback in the last two audits. Warnock noted that there is a lag on receiving the report from USDA. The audit was conducted in 2016 and the final report was received in March of this year.

## 5. EDA (Revolving Loan Fund) Plan Resolution

The approval of the Economic Development Administration (RLF) Resolution is a yearly housekeeping item. The Resolution is part of the RLF Work Program. The document ensures that the Lending Program is following the processes and procedures for loans. It is dictated that the LPAC initially authorizes the Resolution. The Resolution then moves on to the COG Full Board for approval. Staff briefly reviewed the Work Program with members.

Mayor Traber questioned if there are efforts to target specific businesses. Easdale stated that with EDA tries to target Manufacturing and Expansions, however, it is also tied to job creation. Abousleman added; distressed communities, displaced workers, and dislocated workers core areas that we can serve for EDA are not the wealthiest communities but those that can be expanded.

**ACTION: Motion to approve the EDA (RLF) Plan Resolution made by Councilor Cutter, seconded by Commissioner Hall. Motion carried.**

## 6. Review of Rural Microentrepreneur Assistance Program (RMAP)

Warnock reported that six months ago, the COG applied for the RMAP. COG has been awarded funding and recently signed the agreement with EDA to initiate the program. The original Work Plan included with the application was fairly generic within the RMAP criteria. Staff has refined the Work Plan to match what the intended outcomes and parameters for the smaller, shorter term loans will be. Members received a copy of the Work Plan in their agenda packets for review.

Members discussed the cost per loan to administer the loans and questioned whether it is sustainable. Warnock advised that there are two components to the RMAP; loanable funds and administrative assistance. He noted that the RMAP has the ability to add additional rounds of funds to the Lending Program.

Councilor Cutter indicated that he would like to see the metrics on time of administration to ensure that it makes sense to provide loans at the RMAP level.

Abousleman indicated that the program is not really a microloan. They are loans for microentrepreneurs for businesses that are doing something where our return will be higher and faster. To this, Mayor Traber noted that it is possible that changing the terminology would be best.

**ACTION: Motion to recommend approval of the Policies and Procedures Manual to the OCWCOG Board of Directors made by Mayor Taber, seconded by Councilor Cutter. Motion carried**

## 7. Loan Activity and Funded Reports

Staff reviewed the loan activity reports.

Funded/Closed Loans

- Northwest Clearwoods in Brownsville at \$100,000.00
- Northwest Winkds Kites & Toys LLC in Lincoln City at \$25,000.00

#### Approved/Closing Loans

- 4 Spirits Distillery LLC in Corvallis at \$338,000
- La Quinta Inn & Suites in Woodburn at \$1,138,000.00
  - Mayor Taber questioned how COG is able to lend outside the Region, if it means less funds to our Region, and if Woodburn lenders would see the COG as competition. Staff noted that SBA504 allows for lending throughout the State. Abousleman stated that COG has a great working relationship with other lenders and that by lending throughout the State, it generates more revenue to make more loans. Mayor Konopa added that when this had been discussed in the past, other agencies were having issues with being able to provide sufficient loans therefore, COG having the ability to do so helped those agencies.

#### Payoffs

- Philomath Rental in Corvallis at \$250,000.00
- Integrated Body Fitness in Newport at \$40,000.00

#### Prospects

- Restaurant in Albany
- Restaurant in Newport
- Candy Store in Newport

Easdale reported that she recently attended a RAIN event and continues to do outreach for the program. Warnock noted that Easdale has generated a lot of contacts and interests.

## 8. Adjournment

Meeting adjourned at 9:12 am.

**Meeting minutes recorded by Emma Chavez**

# LENDING LOAN ACTIVITY

October 2017

<u>DATE</u>	<u>LOAN TYPE</u>	<u>BUSINESS</u>	<u>LOCATION</u>	<u>AMOUNT</u>	<u>TOTAL PROJECT</u>
<b>FUNDED/CLOSED</b>					
8/31/2017	RDF1-3	Lebanon Napa Auto	Lebanon	\$ 249,400.00	\$ 663,500.00
9/29/2017	RLF	Buckmaster Pro Plumbing and Heating	Lebanon	\$ 136,000.00	\$ 340,000.00
10/11/2017	504	4 Spirits Distillery LLC	Corvallis	\$ 368,960.00	\$ 922,400.00
				<b>\$ 754,360.00</b>	<b>\$ 1,925,900.00</b>
<b>APPROVED/CLOSING</b>					
	504	La Quinta Inn & Suites	Woodburn	<b>\$ 1,138,000.00</b>	<b>\$ 4,070,000.00</b>
<b>PAYOFFS</b>					
4/18/2017	LCLF	AAir-Care of Oregon LLC	Siletz	\$ 16,000.00	\$ 47,000.00
6/27/2017	BIF	Comfort Suites	Corvallis	\$ 48,475.00	\$ 208,475.00
9/21/2017	BIF	Rodeway Inn	Albany	\$ 100,000.00	\$ 100,000.00
				<b>\$ 164,475.00</b>	<b>\$ 355,475.00</b>
<b>PROSPECTS</b>					
		Pottery Business	Lincoln City		
		Hotel	Lincoln City		
		Candy Store	Newport		
		Restaurant/Tavern	Tangent		
		Motorcycle Shop	Sweet Home		
		Distillery	Albany		
		Car Wash	Corvallis		