

Oregon Growth Board

April 26, 2018

Portland, Oregon

Attendance

Members Present: Patricia Moss, 1st Interstate; Jim Coonan, Retired; Chad Olney, Pacific Crest FCU; Sayer Jones, Meyer Memorial Trust; Sabrina Parsons, Palo Alto Software; Gerry Langelier, OVP Venture Partner; Adam Zimmerman, Craft3; Tres. Tobias Read, OST; Rep. Dan Rayfield; Stephen Green, WeWork.

Staff Present: Nate Wildfire, Kate Sinner, Ruth Hall

Guests: Steve Marlowe, DOJ; Shane Jackson, PSF; Ryan Mann, OST; Patrick Maloney, Occam Advisors; Nitin Rai, Elevate Capital; Jon Finney, CTC

Meeting was called to order at 1:00 PM.

Welcome, Introductions, Minute Approval

Co-Chair Moss led introductions around the room. No public comment. Jim Coonan moved that the March meeting minutes be approved, and Stephen Green seconded; all approved.

Oregon Growth Fund

Wildfire gave an overview of funding in the Oregon Growth Fund, recently approved by the legislature in the amount of \$1.25M from the Strategic Reserve Fund. A key focus for the dollars from the Governor is investing in under-represented groups. Applications will likely now increase since funding is available. At least one angel conference application is expected next month. Wildfire reminded the board that \$100,000 from this funding source was committed to Cascade Angels 2017 by the board in June of 2017.

XXcelerate

Wildfire introduced a funding application from the XXcelerate Fund, a loan fund for women entrepreneurs operated by XXcelerate, a recently formed nonprofit providing mentorship to women-led companies. Wildfire reviewed his over eight month engagement with the group, progress made by XXcelerate, and his due diligence. Wildfire recommended a loan to the group of \$150,000, contingent upon certain fundraising and contract milestones. The board debated whether or not making a grant to XXcelerate made more sense, and ultimately reaffirmed that the OGB does not make grants.

Action: Jim Coonan proposes to loan XXcelerate \$150,000 from the Oregon Growth Fund, with a 5-year term, interest only repayments during the life of the loan, at 2% interest rate. The loan has to be matched by XXcelerate at a 3:2 ratio. (For every \$100K from the OGB, XXcelerate will raise \$150K in additional lending capital from other sources.) The loan is also contingent upon XXcelerate raising 10% equity financing in addition to any loan-loss reserve raised through the loan recipients.

Result: All in favor, save Adam Zimmerman, opposed

OGA Portfolio Updates

Jon Finney of CTC gave an overview of the portfolio. Annual reports and K1's are coming in right now. Should have the annual report (Q4 results) in either May or June. Finney also gave an overview of our sale of the OGB's interest in Fluke Ventures. Wildfire mentioned that K4 is in the market to raise their fund right now. The OGB may miss this opportunity due to other funding opportunities taking precedence for due diligence capacity. Wildfire reminded the board that the OGB is waiting for a Business Oregon compliance process to complete before potentially visiting Ecotrust Forests Management. The May and June board meetings will be very investment-review heavy. Inbound inquiries continue to grow.

OGB Process Improvements

Co-chair Langelier brought up three concerns regarding processes with regard to the Oregon Growth Board.

1. Capital calls being paid on time—partners have reported late payments
2. Lack of communication between one part of Business Oregon and other parts. The example given was Ecotrust Forests Management being reviewed by the OGB while simultaneously going through a compliance review.
3. Contracts, document review, and issuance of RFP's taking too long.

Co-chair Langelier expressed his frustration with these issues to Kate Sinner, new Assistant Director of Innovation and Entrepreneurship, and supervisor of staff Nate Wildfire. Jim Coonan expressed that he thought a change in board communications occurred when Wildfire increasingly began spending time on Oregon InC. He also expressed a desire to see a better system of communication with OGB applicants. The following proposals/work items were proposed:

- A system to improve capital calls has already been implemented with the finance department. Redundancy into the system has been introduced, with multiple checks. Business Oregon continues to work toward having one system for processing capital calls, versus the multiple systems left over as a legacy of Treasury managing some payments, but not all.
- The Business Finance team and Wildfire confer monthly now on pipeline projects to ensure both know what partners are being evaluated.
- Wildfire will improve the frequency of communications with board chairs.
- New contract staff is being added at Business Oregon and recently put in place.
- Wildfire will develop a tracking tool to inform the board about where in the process all applicants are.

Annual Report

Wildfire reviewed drafts of Annual Report material. The board gave substantial edits, recorded by Wildfire. There was a big emphasis on "telling the story of OGB" in a more compelling way. The legislature will be the primary audience of the annual report. The next draft will be presented at the May board meeting.

Other Business

- Wildfire and Sinner will look at targeting a date for members of OGB to attend a Business Oregon commission meeting.
- Jim has resigned as Oregon InC representative for the Oregon Growth Board. The Oregon Growth Board representative acts as a liaison between the two groups. Staff will work to find a replacement board member.

Meeting closed at 3:24 PM

Approved by:

Signature on file

Patricia Moss, Chair
Oregon Growth Board

5/21/2018

Date

Signature on file

Nate Wildfire
Business Oregon

5/21/2018

Date