

Oregon Growth Board Meeting

June 24, 2020

Video Conference

Attendance via Video & Conference Line

Members Present: Sabrina Parsons, Co-Chair, Palo Alto Software; Sayer Jones, Co-Chair, Consultant; Tobias Read, Oregon State Treasurer; Wendy McGrane, US Bank; Gudrun Granholm, Box One; Elmer Huh, Murdock Charitable Trust; Chad Olney, Pacific Crest Federal Credit Union; Stephen Green, Pensole; Amber Schulz-Oliver, The Affiliated Tribes of NW Indians Economic Development Corp, Chris Cummings, Business Oregon.

Staff Present: Kate Sinner, Ricardo Lopez, Ruth Hall.

Guests: Steve Hartt, Meketa Investment Group (MIG); Ethan Samson, MIG; Danny Chan, MIG; Steven Marlowe, Oregon Department of Justice; Meredith Coba, Oregon State Treasury; Nathan Buehler, Business Oregon; Brooks Peacock, Business Oregon; Alan Bell, Business Oregon; Leah Horner, Oregon Governor's Office; Amanda Osborne; Ana Chaud; Allie Magyar; Beth Cooke; Lili Yeo; Kari Neone; Chelsea DeLoney; Ashley Henry; Paula Hayes; Ryan Bailey; Stephanie Lampkin.

Presenters: Melissa Freeman, Oregon Community Foundation; Nita Shah, MESO; Lynn Meyer, Community Lending Works.

Welcome, Introductions, Public Comment & Minute Approval

Co-Chair Sayer Jones called the meeting to order at 1:00 pm. Co-Chair Sayer Jones explained the meeting would begin with public comment prior to approval of the minutes. Amanda Osborne from OEN promoted Oregon Angel Food, which is a food and beverage investment event scheduled for September 2020.

A number of members from the public and Elevate Capital portfolio company founders expressed (in letters, e-mails, and other electronic means) their support for Nitin Rai and Elevate Capital. Ana Chaud highlighted how helpful and supportive Nitin Rai has been to her and fellow immigrants over the years. Lili Yeo thanked the Oregon Growth Board for supporting entrepreneurs in Oregon and appreciated Nitin Rai's instrumental role in her own successful startup. Allie Magyar explained how Nitin Rai was always a text away during the successful scaling of her company, and his work, guidance, and positive attitude towards inclusion were crucial. Paula Hayes reiterated how extremely committed Nitin Rai is to helping his founders and catapulting them to another level despite the challenges. Chelsea DeLoney characterized Nitin Rai as an amazing mentor who is not afraid to fund black women-owned businesses, and enjoyed being treated like a human being. Chelsea DeLoney, as Board president of a local group, recommended recusing oneself in case of personal biases, and thanked the Board for making a commitment to Elevate Capital. Kari Neone contributed via the message board that Nitin Rai helped the TiE Angel group get started and worked hard to make sure money gets funneled to the entrepreneurs.

Co-Chair Sayer Jones stated the Co-Chairs would like to spend more time with the previous meeting's minutes to make sure minutes properly articulate the context around what was said during the meeting. Co-Chair Sayer Jones expanded that prior to the meeting, some Board members expressed their desire to postpone the review of the meeting minutes, so he asked for a motion from the Board. Amber Schulz-Oliver motioned to postpone review of the minutes until the July meeting and Co-Chair Sabrina Parsons seconded the motion. Stephen Green expressed his desire to discuss how meeting minutes are processed going forward, and lamented that some of his positive comments about Elevate Capital were not captured in the minutes. Co-Chair Sabrina Parsons emphasized that there were 8 Board members that voted in favor of Elevate, and that the minutes could be amended to more clearly reflect that support. The Board approved the motion unanimously.

COVID19 Impact on OGF

Ricardo Lopez summarized the steps the Board has taken to address the COVID19 crisis through the Oregon Growth Fund. The Board temporarily amended its Investment Policy Statement to allow for grants; it quickly forgave its outstanding loans to CDFIs; it committed all its remaining cash to the Oregon Community Foundation's Small Business Stabilization Fund, and nominated Ricardo Lopez to represent the Board as a member of the Fund's Steering Committee. Ricardo Lopez invited members of these organizations to provide first-hand updates on the effects of those actions so far.

Melissa Freeman informed the Board of the actions taken by the Oregon Community Foundation (OCF). OCF set up three different pools of funds to address multiple aspects of the crisis. To date they have raised over \$15 million and deployed to organizations across the entire state. OCF was aware they could not solve everyone's problems but focused on providing a cushion until federal funding became available. Grants could be used for administrative expenses and solvency, and for new grants as well as low- or no-interest loans. The Small Business Stabilization Fund was launched back in March with \$300,000 from OCF and \$700,000 from OGF. The Steering Committee approved \$2.3 million in grants to be spread equitably across every county, and will focus its attention on communities of color and rural regions disproportionately hurt by the COVID19 crisis.

Nita Shah proceeded to share her experiences as CEO of MESO. She provided the example of a local business that started with a \$25,000 loan from MESO and reached \$10 million in revenue before losing most of it due to the crisis. The business has now adapted and has made more than \$4 million this year thanks to MESO's involvement throughout the entire process. Nita Shah thanked the Board for forgiving their outstanding loan to MESO, as it helped them solidify their balance sheet and secure ten times the amount via federal loans. MESO staff has been making personal phone calls, providing technical assistance, developing culturally-focused social media campaigns, becoming experts on every new measure, and even launching new creative loan products to help the business owners that need it the most. Lynn Meyer from CLW thanked the OGF for the critical help at the beginning of the crisis. CLW's loan-loss reserves are now much healthier, allowing them to service additional businesses. They have also partnered with cities, counties, and foundations to provide assistance during the crisis. Furthermore, they now have capacity to receive grants from Business Oregon and deploy safe capital to underserved communities across the state.

Business Oregon COVID19 Update

Chris Cummings provided an update on all the resources that Business Oregon has been able to pass through to recipients during the crisis. He highlighted the Small Business Navigator as a key resource to point people in the right direction regarding PPE, loans, new measures, etc. In addition, the agency has implemented new programs to provide funding for small businesses through partnership with CDFIs, Economic Development Districts, cities, and counties across the state. Recently the agency received approval to continue expanding broadband across rural communities. Chris Cummings pointed out that all this work has been done in addition to existing responsibilities so he is appreciative of the effort by Business Oregon's staff.

Kate Sinner expanded on one of the newest programs being administered by Business Oregon: \$3 million from the CARES Act for technical assistance for underrepresented businesses hurt by the COVID crisis. Book-keeping, accounting, and e-commerce are significant needs for businesses, so she is eager to build the program and share it with the Board's networks. Kate Sinner also mentioned how the Oregon Innovation Council has adapted successfully and provided competitive grants to science/technology innovation companies. Co-Chair Sayer Jones asked about the progress of the 10-year innovation plan. Kate Sinner replied that the agency is embarked on an inclusive process, which involved benchmarking and best practices work back in 2018. Business Oregon recently went into contract with a very successful, nationally-renowned consultant, Techonomy. There will be additional interviews and focus groups in July. Co-Chair Sabrina Parsons thanked staff for putting everything together and providing the Board with a comprehensive picture of everyone's efforts.

COVID19 Impact on OGA

Steve Hartt spoke of the impact of COVID on the broader Private Equity landscape. According to Steve Hartt, general managers continue to work with portfolio companies to understand a broad range of alternatives. While OGA's portfolio is tilted towards the seemingly thriving tech sector, it does not mean it is insulated from COVID's negative effects. Tech companies can still feel secondary impacts from the consumer crisis. He underscored that Meketa was not aware of any significant issues that affect entire investment funds at the time. Ethan Samson provided some examples of OGA fund managers experiencing different levels of success and facing challenges.

OGA Pipeline Review

Ethan Samson updated the Board on the projected investment pipeline for OGA, highlighting VamosVentures as a likely invitee to the July Board meeting. Co-Chair Sayer Jones asked about the OGF pipeline and Ricardo Lopez explained that there were multiple options but there was significant uncertainty regarding OGF's dry powder for the rest of the calendar year given the crisis. Kate Sinner added that the agency should have more clarity after the next state special budget session.

Strategic Plan Discussion

Steve Hartt presented a guideline of what the new Strategic Plan should include and prepared the Board to discuss a first draft at the next meeting. Co-Chair Sayer Jones asked if anyone else had additional items to discuss. Ricardo Lopez asked Steven Marlowe to make sure everyone understood what the process will be for minute approval at the July meeting, considering there

will be two documents to process. Steve Marlowe clarified that it would be the same process as usual, simply done twice at the beginning of the meeting. Elmer Huh stated that he does not want to seem reactionary and change accurate notes, and would like to try to stick to protocol regarding changing previous meetings. He reiterated only amending with factual statements as opposed to commentary. In general, he felt meeting minutes should reflect the factors that drive decisions so people understand how they are trying to be good fiduciaries on behalf of the Board. Co-Chair Sayer Jones added that he wants to make sure context is captured as well as possible. Elmer Huh contributed that the experience has reinforced the need to be more careful in public forums. Co-Chair Sabrina Parsons finished by explaining that she wants everyone to have time to review the minutes in order for them to reflect what happened, and then having everyone agree to publish that.

Adjourn

After asking if anyone had any outstanding items to address, Co-Chair Sayer Jones adjourned the meeting at 3:00 pm.

Approved by:

Signature on file

Sayer Jones, Co-Chair
Oregon Growth Board

Date

Ricardo Lopez, Capital Strategist
Business Oregon

Date