

Oregon Growth Board

December 19, 2016 – Minutes

121 SW Salmon Street, Business Oregon Offices
Portland OR

Attendance

Members Present: Co-Chair Gerry Langelier, OVP Venture; Jim Coonan, RAIN; Treasurer Ted Wheeler, Oregon State Treasury; Sayer Jones, Meyer Trust; Stephen Green, Townsquared; Chris Harder, Business Oregon; Rep. Tobias Read, Beaverton

Members Present via Conference Call: Chad Olney, Oregon Community Credit Union; Co-Chair Patricia Moss, Bank of the Cascades

Members Absent: Sen. Bill Hansell, Athena; Adam Zimmerman, Craft3; Monica Enand, Zapproved

Staff Present: Nathan Wildfire, Business Oregon; Stephen Marlowe, DOJ; Heather Stafford, Business Oregon; Jenny Wilfong, Business Oregon

Staff via Conference Call:

Guests: Jon Finney, CTC MyCFO; Angela Jackson, Portland Seed Fund; Susan Namkung, WVCF; Jenn Lynch, Portland Seed Fund; Jim Huston, Portland Seed Fund; Christian Mannud, OST

Guests via Conference Call:

Co-Chair Langelier called the meeting to order at 1:04pm.

Welcome/Introductions

Co-Chair Langelier opened the meeting. Minutes from September 21, 2016 meeting were approved by unanimous vote, moved to approve by Chad Olney, and seconded by Jim Coonan, with the condition that the minutes be amended to reflect Monica Enand's declared conflict of interest in the K1 investment opportunity due to the ownership interest that K1 has in Zapproved, Inc., and that Ms. Enand has in K1 as an LP, and Ms. Enand is the Chief Executive Officer, Chairman and Founder, of Zapproved, Inc.

Public Comment Period

- No public comment

Pipeline Overview

Nate Wildfire, Growth Board Director, gave an overview that included:

- An overview of the recently completed Oregon Capital Scan. Co-chair Langelier noted that the Oregon Growth Board is not mentioned in the scan.
- A review of the Oregon Growth Account and Oregon Growth Fund pipelines. It was noted how the pipelines and investments are starting to diversify to multiple company stages

and industry sectors, in alignment with the Capital Scan's noted capital gaps, and the board's prioritization of diversifying the portfolio.

- The OGF pipeline is growing, despite the public knowledge of limited funds, and without any publicity. The demonstrated need across sectors indicates a strong rationale for continued funding and support for the OGF. Board members recommended that the OGB commit all funds in the OGF by the close of the fiscal year.

Recognizing Treasurer Wheeler

Co-chair Langelier read a letter thanking Treasurer Ted Wheeler for his numerous contributions to the Oregon Growth Account Board and Oregon Growth Board over the years. Treasurer Wheeler is leaving the board and his role as State Treasurer to become the Mayor of Portland.

Elevate Inclusive Investment Opportunity

Director Wildfire presented the board with a recommendation to invest OGF money in the Elevate Inclusive Fund. The board had an extensive discussion about the investment opportunity, which is a venture capital investment vehicle in the Portland metro that prioritizes underrepresented and diverse founding teams. The investment recommendation was contingent upon the fund manager and team reaching certain milestones required by other public funders.

Action: Gerry Langelier moves to approve a total investment of up to \$50,000 in the Elevate Inclusive Fund from the Oregon Growth Fund, contingent upon the fund's success in meeting milestones outlined by previous public partners. The motion is seconded by Patti Moss. Sayer Jones declared a potential conflict of interest due to his employer's (Meyer Memorial Trust) having invested in Elevate Capital Fund, and Jim Coonan and Stephen Green declared potential conflicts of interest due to Mr. Coonan's investment in Elevate Capital Fund, and Mr. Green's previous employment by Elevate Capital Fund respectively. Elevate Capital Fund is a separate fund, but is managed by the same entity as Elevate Inclusive Fund.

Vote: The motion passes 5-0, with Stephen Green and Sayer Jones abstaining.

Investment Approval Form Update

Director Wildfire presented the board with a recommendation to retroactively approve additional spending on fees associated with OGA investments from the past calendar year. Due to the OGA joining most of these institutional investments at the very end of their fundraising periods, the OGA is obligated to pay late interest allocations and other fees, which will result in the OGA expending slightly more than the committed investment amount.

Action: Jim Coonan moves to approve spending OGA funds on fees associated with prior-approved institutional investments, related to the OGA position as one of the last LP's to join each fund. Chad Olney seconded the motion.

Vote: The motion passes 7-0.

Recapitalizing the Oregon Growth Fund

Business Oregon Director Chris Harder gave an overview of the organization's efforts to create a permanent funding stream for the Oregon Growth Fund. He related that the OGF is currently funded on a biennial basis with "one-time" allocations from the legislature. He detailed several legislative concepts currently in the works to fund the OGF on a permanent basis, to support the Oregon economy. Rep. Tobias Reed spoke about several of the proposals, as his office is assisting and leading several of the efforts. Director Harder also explained that the Oregon Growth Account is currently undergoing an audit. Some of the findings of that audit may impact policy within the

OGA going forward, which in Director Harder's estimation, make it even more important that the OGF have a permanent funding source. He let the OGB know that throughout the legislative session it may be important for board members to assist with the recapitalization efforts.

CTC Reports

Jon Finney of CTC Consulting gave reports on OGA Performance, Portfolio Funds, and recent and upcoming distributions. Board members asked questions and discussed how the OGA is showing positive returns and growth, and highlighted the importance and effect of the side letter requirement's removal. Institutional funding opportunities that have good return records and show significant investment activities in Oregon are increasingly seeking our investment, and material change from prior to the side letter requirement's removal.

Financial Report

Jenny Wilfong, Business Oregon CFO, presented the OGA and OGF financials to the board. She expressed a desire to make the format of the financials more useful to board members moving forward.

Other Business

- Director Wildfire presented a proposed calendar for the year's meetings. Shortly before year end, he will finalize many of the dates on the calendar, including a date for a strategic planning session in February.
- Director Wildfire gave a short presentation to the board about Oregon InC's strategic planning, and its potential impact on the Oregon Growth Board. Stephen Green recommended that Oregon InC prioritize diversity and inclusivity in their strategic planning.
- Co-chair Langelier informed the board about the State's upcoming efforts regarding public meeting and public documents law.
- Director Wildfire invited the board and supporters to attend the January 11th Oregon Capital Scan release at the Hotel Eastlund in Portland, from 4:30PM to 6:30PM.

Adjourned at 3:28pm.

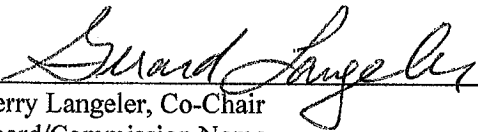
Next Meeting

- TBD

Approved by:

Patti Moss, Co-Chair
Board/Commission Name

Date


Gerry Langel, Co-Chair
Board/Commission Name

Date