

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7228

AUTHORIZING AN OPERATING LOAN TO THE PORTLAND ECONOMIC INVESTMENT CORPORATION

WHEREAS, supporting entrepreneurs and startups from underrepresented communities is a key priority of the Portland Development Commission (“PDC”) 2015 – 2020 Strategic Plan;

WHEREAS, the lack of seed capital and mentorship for women and minority entrepreneurs has created a challenge for many entrepreneurs and early-stage companies;

WHEREAS, by improving the conditions for survival for early stage businesses, Portland can grow the pool of viable startups that can add jobs, raise later stage funding, generate wealth, and serve as leaders and mentors for their communities;

WHEREAS, on June 26, 2016, the PDC Board of Commissioners (“Board”) through Resolution No. 7012 authorized execution of a grant agreement with the Portland Economic Investment Corporation (“PEIC”), a 501 (c) 4 entity, to capitalize the Portland Seed Fund second fund (“PSF II”) and support the operation of PEIC and oversight of the PSF II investment;

WHEREAS, on March 9, 2016, the PDC Board through Resolution No. 7172 authorized execution of a second grant agreement with PEIC to capitalize the Inclusive Startup Fund (“ISF”) and support the operation of PEIC and oversight of the ISF investment; and

WHEREAS, PDC desires to loan \$55,250 to PEIC to continue covering the costs of operating, monitoring, and administering PSF II and ISF investments.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to enter into a Loan Agreement with PEIC, with terms substantially in accord with Exhibit A (the “Terms”) attached hereto, for funding the operation of PEIC and make complementary amendments to the PEIC grant agreement; and;

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to extend the date for release of \$1,000,000 in public funds to Elevate Capital, the ISF fund manager, from March 31, 2017 to August 30, 2017;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the Loan Agreement if such modifications do not materially change PDC’s obligations or risks; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by the Portland Development Commission on March 8, 2017

A handwritten signature in black ink that reads "Pam Micek". The signature is written in a cursive, flowing style.

Pam Micek, Recording Secretary

Loan Terms to Portland Economic Investment Corporation

Amount	\$55,250
Purpose	Operations
Interest Rate	10% compounded annually
Disbursements	Initial disbursement of \$25,250 to be made upon closing to cover outstanding expenses and future general operating expenses for the calendar years 2017 – 2019. Costs include insurance, trustee fees, tax filing preparation, and annual filings with the State of Oregon. The balance of the loan to be disbursed by PDC to PEIC on a semi-annual basis (April 1 and Oct 1). These funds will cover PEIC's legal expenses incurred.
Loan Fee	None
Payments	Interest capitalized annually. All principal and accrued and capitalized interest will be due at maturity.
Prepayment	No prepayment penalty
Term	10 years
Collateral	Unsecured
Exceptions to program guidelines	Loan does not fit within any existing loan program guidelines.

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RESOLUTION TITLE:

AAUTHORIZING AN OPERATING LOAN TO THE PORTLAND ECONOMIC INVESTMENT CORPORATION


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PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Alisha Moreland-Capuia MD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Gustavo J. Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.

	Date: March 9, 2017
Pam Micek, Recording Secretary	