

Eastern Oregon Border Region Economic Development Board



December 2, 2024

Ontario, OR

Attendance

Members Present: Board Chair Dana Young, Andrew Maeda, Cheri Hung, Montessa Young, Taylor Rembowski

Members Present Via Zoom: Ron Haidle; Melisa Drugge, Business Oregon

Staff Present: Shawna Peterson, Executive Director; Emily Conlon, Board Coordinator

Guests Present: Kris Oman, Vale Textiles; Chris Duval, Vale Textiles; Eamonn Quinn, Vale Textiles; Dylan O'Brien, Vale Textiles; Tim Stephenson, Vale Textiles; Caryn Appler, Energy Trust of Oregon; Andrew Ramirez, community member; Derrick Knoll, Energy Trust of Oregon; Christina Smith, Greater Eastern Oregon Development Corporation; Feather Sams-Huesties, Business Oregon

Guests Present Via Zoom: Kyle McCauley, Cascade Natural Gas; Caroline Bell, TVCC; Darin Bell, TVCC, Jolene, community member; Kathy, community member; Cathy Yasuda, TVCC Foundation; Dawn Hert, Department of Land Conservation and Development; Julie Bachman, community member; Steven Mitchell, Malheur Enterprise

Welcome, Introductions, Minute Approval

Chair Dana Young opened the meeting and board members and guests made introductions.

Taylor Rembowski made a motion to approve the November 4th meeting minutes. Andrew Maeda seconded the motion and all present board members voted in favor.

Public Comment

None.

Fiscal Report

Executive Director Shawna Peterson reviewed the OCF fiscal report/statements. As of November 26, 2024, the Border Board fund has a total of \$4,505,264.91. The board also reviewed Executive Director Shawna Peterson's financial report detailing expenses and disbursements for the month.

Executive Director Update

Executive Director Shawna Peterson submitted an executive summary and reported her activities since last month's meeting. Board Staff is working on translation services and will gather an additional quote for board review in the coming month. Board Staff continues to follow up with conditional awards from the last grant cycle and keep the board informed as conditions are met. Peterson also reported that the board is on track to turn over the board's open seat in January

2025. Peterson notified the board that Senator McLane will be in town in the coming month and board members are invited to attend; the event will be held at the Vale Senior Center on December 3rd. Board Staff will forward event details to board members.

Business Update – Vale Mushroom Plant

Tim Stephenson attended the meeting to provide a business update on the Vale Mushroom Plant. His team consisted of Kris Oman, Chris Duval, Eamonn Quinn, and Dylan O'Brien. Prior to the meeting, the team submitted a Strategic Fund Grant application requesting \$1 million for the purchase of equipment and retrofitting of the existing facility to grow mycelium-based leather. The team's presentation included information on the current status of the site, the product to be produced, the current status of their business, and a marketing summary for the product. Questions from the board included the following:

- **Mushroom waste.** The product has some waste, made of 40-45% protein that can be used for livestock feed.
- **Production.** Vale Textiles have calculated a profitable month from the turnover of only one of the 42 grow rooms at the Vale Mushroom Plant.
- **Growth cycle.** The growth cycle of the mushroom is roughly 10-20 days. Processing after the growth cycle includes dewatering, drying, and storing. Prior to shipping to the seller, the leather will be crosslinked, dyed, and embossed. Tim Stephenson estimates a 4 week delivery time to the east coast.
- **Project status.** The team is currently under contract and set to close on the property by January 1, 2025. Tim Stephenson intends to have a product on the market by that date.
- **Job creation and training.** Tim Stephenson estimates the business will create 70-75 new jobs in the Border Region, with the potential for more as the company grows.
- **Funding.** The funding gap is currently \$4 million. Self-funding included in the application includes the value of the property purchased. The board also discussed other funding commitments from the City of Vale and Business Oregon.
- **Commitment from industry.** Vale Textiles is currently working with Portland Garment Factory who is interested in using the product upon production.

The board will review the application and it will be added as an agenda item to the January 2025 meeting.

Incentive Programs: Cascade Natural Gas

Kyle McCauley from Cascade Natural Gas attended the meeting virtually to provide information on his role at Cascade Natural Gas and introduce incentive programs along with Derrick Knoll and Caryn Appler of Energy Trust of Oregon. The representatives can connect EOBB awardees with incentives offered through Cascade Natural Gas and Energy Trust of Oregon. These incentive programs help customers who have natural gas use less gas and be more energy efficient. The

board was happy to make this connection and Board Staff will connect them the EOBB rehabilitation loan program serviced through Community in Action.

Housing Incentive Application Approvals

Cheri Hung made a motion to approve Competitive Housing Incentive Program (CHIP) application #69 in the amount of \$6,000, Property Improvement Rebate Program (PIRP) applications #14 and #15 in the amounts of \$5,633.55 and #20,000, respectively, and CHIP re-applications #80-#102 in the amount of \$1,500 each (with the exception of #83 in the amount of \$1,357.58). Andrew Maeda seconded the motion and all present board members voted in favor. Total awards for this month equal \$6,000 for CHIP, \$25,633.55 for PIRP, and \$34,357.58 for CHIP-tax incentives.

Loan Program Application Approvals

None.

Outstanding Strategic Fund Awards

Executive Director Peterson provided an update on the two outstanding strategic fund grants currently out of compliance with the respective grant terms: the TVCC Foundation Strategic Fund \$1 million grant awarded in November 2023 and the Ontario Recreation District Strategic Fund \$909,793.34 grant awarded in May 2024. Taylor Rembowski spoke to his involvement in bringing these matters to the attention of Board Staff and opined that the best course of action to bring these grants into compliance is to confirm the awards remain committed but to restore the funds to the EOBB account pending re-disbursement once the projects proceed. Executive Director Peterson noted that Oregon Community Foundation is requesting the return of funds be made prior to December 13, 2024, to remain within the fiscal year. Andrew Maeda stated that the Ontario Recreation District project has changed based on demolition costs. Maeda expressed full support of the board's position on redeposit of the award funds and any interest earned; he stated that the original award should remain the exact amount awarded to each entity. Maeda voiced appreciation for the positive relationship with the EOBB as Executive Director of the Ontario Recreation District. Chair Young stated that she represents TVCC and that all communication regarding the TVCC Foundation Strategic Fund grant will need to go through Foundation Executive Director Cathy Yasuda, who was present, along with other TVCC representatives. Taylor Rembowski made a motion to require the return of the Strategic Fund grants made to the TVCC Foundation and the Ontario Recreation District to Oregon Community Foundation by December 13, 2024. Discussion followed concerning interest earned on the funds while with each grantee. Ron Haidle recused himself from voting, declaring a conflict of interest. After discussion on earned interest on the grant awards, Taylor Rembowski amended his original motion to require the return of Strategic Fund grants plus any interest earned on the awards made to the TVCC Foundation and the Ontario Recreation District to the EOBB Border Fund at Oregon Community Foundation by December 13, 2024. Andrew Maeda seconded the motion and all present board members voted in favor. Board staff were directed to update the documentation of the TVCCF and ORD grants. The board then discussed disbursement of grant funds on conditional, milestone, or reimbursement basis, consistent with prior board discussions and the awards made in the most recent grant cycle.

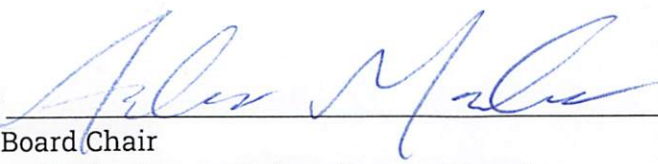
Strategic Fund Handbook Discussion

In the interest of time, the board decided to add this item to the January agenda.

Next Meeting / Agenda

The next board meeting will be on January 6, 2025. Agenda items will include a Fiscal Report from Oregon Community Foundation, an executive director update, review of Strategic Fund applications, and review of the EOBB handbook.

Meeting closed at 5:10pm.

Approved by:  _____ Date
Dana Young, Board Chair
Eastern Oregon Border Economic Development Board