

TO: Chris Cummings, Assistant Director, Economic Development Waiver #260
THROUGH: Ed Tabor, Program Services & Incentives Manager
FROM: Melisa Drugge, Lead Regional Development Officer; Mark Freeman, Regional Port Project Coordinator; Rich Rodriguez, Finance Officer
DATE: March 9, 2018
RE: Recommendation to waive Oregon Administrative Rule for Port of Morrow Wastewater System Improvements (#L16005) Requested Award Amount \$16,618,567

We recommend that the department waive a provision of the Oregon Administrative Rule for the Special Public Works Fund Program to enable an award to be made to Port of Morrow for the above-referenced project.

1. Oregon Administrative Rule for which a waiver is recommended:
 OAR 123-042-0026 (3)(a)
2. Description of the requirement in the above Rule for which a waiver is recommended:
 That the maximum loan amount cannot exceed \$10 million per project.
3. Circumstances and reasons why the waiver should be granted:
 - Without these improvements being completed, the Port of Morrow will not be able to market their industrial property.
 - The Port of Morrow is currently out of compliance with the Oregon Department of Environmental Quality.
 - It is in the best interest of the applicant and the state of Oregon to waive this Oregon Administrative Rule.
4. Possible consequences of the waiver (e.g., setting a precedent):
 - A potential precedence for increasing the maximum loan amount above \$10 million is possible. Loan amounts will continue to be based on immediate need and creditworthiness of the borrower.
 - Increased Portfolio Concentration—Concentration risk of one large borrower. The Port currently has \$7.5 Million in SPWF debt obligations (excluding this loan). This award will increase the Port’s obligations to IFA to \$24.1 million, which equals approximately 10.5% of the SPWF/WWW loan portfolio of \$229.4 Million as of March 5th, 2018. Greater than 10% is noteworthy.
5. Oregon Administrative Rule which provides the Director with the authority to waive the above Rule:
 - OAR 123-042-0180 (3) The executive director may waive non-statutory requirements of this program if it is demonstrated such a waiver would serve to further the goals and objectives of the program.

Approved Disapproved

Signature on file _____ 3/23/2018
 Chris Cummings, Assistant Director, Economic Development Date