



**STATE OF OREGON**  
**OFFICE OF THE STATE TREASURER**  
350 WINTER STREET NE, SUITE 100  
SALEM, OREGON 97301-3896

OREGON GROWTH ACCOUNT  
DECEMBER 9, 2010  
MEETING MINUTES

OGA Board Members Present: Richard Bader, Les Fahey, Kanth Gopalpur, Tim Phillips,  
Treasurer Ted Wheeler

OGA Board Members Absent: Art Hill and Steven Vincent

Staff Members Present: Andy Hayes, Julie Jackson, Mike Mueller, Tom Rinehart,  
James Sinks

Legal Counsel Present: Steven Marlowe, Oregon Department of Justice

Consultants Present: Jon Finney, CTC Consulting

The meeting of the Oregon Growth Account Board was called to order at 9:32 am by Chair, Treasurer Ted Wheeler.

- I. **9:32 am: Review and Approval September 7, 2010 Minutes:**  
**MOTION:** Mr. Phillips moved approval of the September 7, 2010 OGA Board minutes. The motion was seconded by Mr. Fahey and passed by a vote of 5/0.
- II. **9:33 am: OGA Cash Flow Analysis:**  
Mike Mueller, Deputy Chief Investment Officer provided the Board with an update on the OGA's investable cash as of November 2010, and provided a brief background on the firm's slated to present to the Board, including: Phoenix Venture Partners and Bridge City Ventures. Of note, Marquam Hill Capital has ceased fund raising so that that \$5 million contingent commitment has been returned to the OGA.
- III. **9:35 am: Investment Proposal – Phoenix Venture Partners:**  
Mike Mueller introduced Zach Jonasson, General Partner with Phoenix Venture Partners. This group initially presented to the board in June. At the conclusion of their presentation in June, staff and CTC Consulting were asked to complete full due diligence and to return with a formal recommendation. Staff was able to confirm with Skip Rung, President and Executive Director, that ONAMI has met with and is impressed with the possibility of working with the partners at Phoenix, as represented by Phoenix. Phoenix has a strong understanding of the advanced materials market in Oregon, and they have been successful in raising the fund, to date. Additionally, staff is impressed with the proposed exit strategy being sought by Phoenix, given the dearth in IPO opportunities at present. Subject to the negotiation of legal documents with the Oregon Department of Justice, staff recommended a commitment of \$4 million to Phoenix Venture Partners. CTC recommended that the OGA consider an investment to Phoenix VP, LP.

There was a question and answer period following the presentation.

**MOTION:** Mr. Phillips moved approval of a \$5 million investment to Phoenix Venture Partners subject to the satisfactory negotiation of terms and conditions, and completion of the requisite legal documents by the Department of Justice working in concert with OST staff, including governance and a key man provision. Mr. Fahey seconded the motion. The motion passed by a vote of 5/0.

**IV. 10:18 am: Investment Proposal – Bridge City Ventures:**

Mike Mueller introduced Jim Huston and Angela Jackson, General Partners with Bridge City Ventures. Based on an RFP issued by the Portland Development Commission, Bridge City Ventures was selected to manage \$500,000 for the Portland Seed Fund. Bridge City Ventures now hopes to raise a total of \$3.0 million for the Portland Seed Fund (up from \$1.5 million initially). Staff supports a commitment of \$500K to the Portland Seed Fund, since the fund management has already been vetted by the PDC and the OGA has no flexibility to change the partner chosen. Importantly, Bridge City Ventures has tabled their initial proposal of raising an \$8 million “micro venture fund” and are now solely committed to the raising the Seed Fund. Of concern, the fund structure allows for no margin of error to be successful, according to staff and CTC.

There was a brief question and answer period with staff and CTC Consulting following the presentation. CTC Consulting recommended a commitment to the Portland Seed Fund strictly from the standpoint of economic development, pending approval of a final budget for the Fund.

**MOTION:** Mr. Bader moved approval of a approved an investment of \$500,000 contingent on a fund size of at least \$2 million and \$750,000 on a fund size of at least \$3 million, subject to the satisfactory negotiation of terms and conditions, and completion of the requisite legal documents by the Department of Justice working in concert with OST staff. Mr. Phillips seconded the motion. The motion passed by a vote of 5/0.

**V. 11:20 am: Commitment Update – Marquam Hill Capital:**

Jon Finney, CTC Consulting provided a brief update on Marquam Hill Capital, they have ceased fund raising so that \$5 million OGA contingent commitment has been relinquished.

**VI. 11:21 am: Portfolio Update and Prospective Manager Update:**

Jon Finney, CTC Consulting provided a portfolio update as of September 30, 2010.

**VII. 11:32 am: CTC Consulting Contract:**

The CTC Consulting contract was extended until 12/31/2014 by a vote of 4/0 (Mr. Bader had stepped away) with a key man provision added for Jon Finney, CFA.

**VIII. 11:35 am: Public Comments:**

There were no public comments.

The meeting adjourned at 11:35 am.

Respectfully submitted,



Julie Jackson  
Executive Support Specialist