



Redwood Region Economic Development Commission
Prosperity Center 520 E Street, Eureka, California 95501
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**Redwood Region Economic Development Commission
REGULAR MEETING OF THE EXECUTIVE COMMITTEE
At the Prosperity Center, 520 E St. Eureka, CA
June 26, 2017 5:30 pm
MINUTES**

I. Call to order

Vice Chair Sofia Pereira called the meeting to order at 5:40 pm.

Present: Patrick O'Rourke, Michael McKaskle, Sue Long, Sofia Pereira, Marian Brady

Absent: John Woolley, Nancy Koke

Staff Present: Gregg Foster, Shirley Santino

II. Approval of agenda and minutes

M/S/P: O'Rourke/Long: Motion to approve agenda for June 26, 2017 and Minutes from May 22, 2017. Motion passed unanimously.

III. Public Input – for non-agenda items

None.

IV. Old Business

None.

V. New Business

A. Loan Change in Terms Approval or Denial: Beyzade Request to Extend Current Interest Rate for One Additional Year

Gregg Foster presented the borrowers' request: Shanell and Selcuk Beyzade purchased the foreclosed property located at 1718 Fourth Street in Eureka (former Jalisco) from RREDC for \$368,000 in 2011 with a down payment of \$140,000 and RREDC loan #20114 of \$228,600 to complete the transaction. Presently they are trying to refinance the property with Tri-Counties Bank, which requires from them an additional \$30,000 down, which they are currently unable to do.

The loan is collateralized by a 1st Deed of Trust on 1718 Fourth Street, Eureka; 10-year term with a 6% rate for 5 years increasing to 8% with a 25-year amortization; with a balloon payment at maturity 7/1/2021; funded 50% EDA 1 and 50% Headwaters.

The original note rate of 6% was scheduled to increase to 8% on August 1, 2016 but on May 23, 2016 the RREDC Executive Committee approved extending the 6% rate until August 1st, 2017. The borrowers request another one-year extension.

M/S/P: Long/Pereira: Motion to approve the one-year extension of 6% interest rate to August 1st, 2018. Motion passed with Sue Long, Marian Brady, Michael McKaskle and Sofia Pereira in favor and Patrick O'Rourke opposed. He suggested the Borrowers seek other lenders.

B. Consideration of Temporary Release of Collateral on ResolutionCare loan

Gregg Foster explained the cash flow issues that ResolutionCare PC/ResolutionCare Network LLC (loan #20167 \$300,000 LOC) has experienced. The release of \$60,000 of the cash collateral (\$100,000 held in a joint account controlled by RREDC) to make payroll is no longer an urgent need, as the awaited payment for services provided was received prior to this meeting. However, this could come up again.

VI. Closed Session: PUBLIC EMPLOYEE REAPPOINTMENT: Government Code Section 54957: Title: Executive Director

6:16 pm Executive Committee excused Staff and entered into closed session.

6:30 pm Executive Committee reconvened in open session. No action was taken.

VII. Adjourn Meeting adjourned at 6:20 pm.