



**Redwood Region Economic Development Commission
REGULAR MEETING OF THE EXECUTIVE COMMITTEE
At the Prosperity Center, 520 E St. Eureka, CA
February 26, 2018 6 pm
MINUTES**

I. Call to order

Patrick O'Rourke called the meeting to order at 6 pm.

Present: Michael McKaskle, Sue Long, Marian Brady, John Woolley, Patrick O'Rourke, Brett Watson

Absent:

Staff Present: Gregg Foster, Shirley Santino, Virginia Fisher

II. Approval of agenda and minutes

M/S/P: Woolley/Brady: Motion to approve agenda for February 26, 2018 and minutes from January 22, 2018. Motion passed unanimously.

III. Public Input – for non-agenda items None.

IV. Old Business None.

V. New Business

A. Loan Approval or Denial: Ridgeline Enterprise

Virginia Fisher presented Ridgeline Enterprise's equipment purchase loan request for \$160,000. Co-owners Robert Muir and Robert Carpenter plan to buy timber harvest equipment needed to fulfill Timber Harvest contracts and three-acre conversions (Exemptions) in 2018 and into the future as their business grows. The loan would be collateralized by UCC-1 filing on all business assets. The 5-year loan would be 9% fixed, amortization over 84 months with balloon at maturity; funded by EDA 1. RREDC loan may be used to cover the cost of equipment only; delivery fees and sales tax on the equipment will be paid out-of-pocket by Ridgeline and their debt ratio coverage cannot go under ratio of 1.25:1.

M/S/P: Woolley/Watson: Motion to approve equipment loan of \$160,000 to Ridgeline Enterprise, as presented by staff. Motion passed unanimously.

B. Change in Terms Request: Greyhound Hotel

Gregg Foster presented Jack Freeman's request for a rate reduction and release of his brother Tom Freeman as Guarantor on his RREDC loan #20157 of \$240,000 at 9%, which commenced in July 2016, as part of a larger financing that included a loan of \$860,000 from Redwood Capital Bank at 4.5%. Borrower is in good standing with RREDC and continues to make improvements to this challenging but important Old Town Eureka property that meets economic development objectives of RREDC and the City of Eureka.

M/S/P: Woolley/Long: Motion to reduce the rate from 9% to 5% on Greyhound Hotel loan #20157 provided the owner complete the work on the vacation rental unit within 90 days and the Print Shop renovations within 24 months, or the rate goes back to 9%. All other conditions of the loan remain in place. Motion passed with Patrick O'Rourke opposed.

VI. Meeting adjourned at 6:40 pm.