



Redwood Region Economic Development Commission
 Prosperity Center 520 E Street, Eureka, California 95501
 Phone 707.445.9651 Fax 707.445.9652 www.rredc.com

Redwood Region Economic Development Commission
MEETING OF THE LOAN COMMITTEE
 520 E Street, Eureka, California 95501
Tuesday February 20, 2018 11:00 am
Minutes

Present: Jennifer Budwig, Dan Sweet, David Tyson, John Woolley, Patrick O'Rourke, Bruce Rupp, Scott Pesch

Absent: Greg Bowen, Christopher Nelson, Patrick Whitchurch, Phil Sullivan

Staff Present: Gregg Foster, Virginia Fisher, Shirley Santino

I. Call to Order

Scott Pesch called the meeting to order at 11:00 am.

II. Approval of Agenda and Minutes

M/S/P: Tyson/O'Rourke: Motion to approve February 20, 2018 Agenda and July 18, 2017 Minutes. Motion passed unanimously.

III. Public Input 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 key person life insurance and UCC-1 filing on all business assets. The 5-year loan would be 9% fixed, amortization over 120 months with balloon at maturity; funded by EDA 1.

M/S/P: Sweet/Rupp: Motion to approve \$160,000 equipment purchase loan to Ridgeline Enterprise as presented by staff, with the following changes and additional conditions; and recommend approval of this loan to the RREDC Executive Committee:

- Loan amortized over 7 years and balloon in 5 years.
- Ridgeline will pay the loan fee (\$2,000) out-of-pocket; RREDC loan may be used to cover the cost of equipment only; delivery fees and sales tax on the equipment must be paid out-of-pocket by Ridgeline. If any of these out-of-pocket expenses require additional borrowing, RREDC will need to know the terms. If it's a gift from another source (such as a family member), provide a gift letter.
- Provide written explanation of the Phyllis Bailey judgement.
- Ridgeline debt ratio coverage not to go under the ratio of 1.25:1.
- Limit of \$25,000 on any additional asset purchases, unless pre-approved by RREDC.

Motion passed unanimously.

VI. Reports

A. Review of Loan Performance report

Virginia Fisher answered questions about the Microloan program.

B. Discussion of loan pipeline

VII. Adjourn

Meeting adjourned at 11:55 am.



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