

**Redwood Region Economic Development Commission  
EXECUTIVE COMMITTEE  
Thursday, November 4, 2010  
4:00 p.m.**

**Minutes**

**I. Call to Order**

Chair Tyler Holmes called the meeting to order at 4:02 p.m.

**Members Present:** Helen Edwards, Julie Fulkerson, Tyler Holmes, Mark Lovelace, Frank Scolari  
Sherman Schapiro

**Members Absent:** none

**Staff Present:** Virginia Fisher, Gregg Foster, Bonnie Smoller

**II. Approval of Agenda and Minutes**

A correction was made to the minutes of September 27, 2010. For item V B., *Line of Credit for Tofu Shop Specialty Foods*, it was clarified that renewal of the line of credit would be for a period of three years, with an annual verification of the client's bankability.

It was moved to approve the agenda and corrected minutes. **M/S/P: Edwards/Scolari**

**III. Public Input** – for non-agenda items

None

**IV. Old Business**

None

**V. New Business**

**A. Loan Approval or Denial: North Coast Audiology:** On November 2, 2010 the RREDC loan committee voted unanimously to approve recommendation of this loan.

The loan request is for \$45,000 for the purchase of the commercial building where the business is located. The seller is carrying a note and is in first position on the property. RREDC's collateral is a second deed of trust on the property and a UCC-1 filing on all business assets/accounts receivable.

**M/S/P: Fulkerson/Schapiro to approve the loan, with all conditions, as recommended.**

**B. Loan Approval or Denial: Ultimate Yogurt:** On November 2, 2010 the RREDC loan committee voted 4/2 to approve recommendation of this loan. Part of the motion was that a third deed of trust on the borrower's residence would be added to the current collateral.

The loan request is for \$100,000 for costs associated with opening a self-serve frozen yogurt shop in Arcata. The term would be five years (60 months) at 10% fixed interest. RREDC collateral would be a UCC-1 filing on all business assets and a third deed of trust on a rental property in North Bend, Oregon and a third deed of trust on property in Brookings, Oregon.

Borrowers have injected \$100,000 of their own money into the project, putting a \$30,000 down payment on the four self serve yogurt machines. Borrowers have secured a five-year lease on a building on the Arcata Plaza. Overall project cost is estimated to be approximately \$220,000.

Since 1992 borrowers have owned and operated seven Spotlight Video stores in northern California and southern Oregon, with four stores in Humboldt County. In advance of declining video sales, borrowers are seeking a business that can be cross marketed with Spotlight Video as well as stand on its own.

Three main concerns of the committee were 1) the collateral could not support the loan; 2) the business is a start up, 3) the competition with existing ice cream shops in the same general area.

**M/S/P: Schapiro/Fulkerson to deny approval of this loan request.**

### **C. Update on Giant Redwoods RV and Camp**

In February 2010 the executive committee approved a change in terms for the borrowers for deferred payments December through February of the year, the parks typical downtime. The borrowers would like to continue this payment schedule for the present.

Borrowers are in the process of catching up on years of deferred maintenance and proactively marketing the camp and improving guest services. Sales have increased from the 2009 season.

**M/S/P: Scolari/Edwards to approve keeping the payment schedule as it is; with payments deferred for the first quarter of the year 2011. This will be brought back to the committee in November 2011 if necessary.**

### **VI. Adjourn**

The meeting adjourned at 4:40 p.m.