

Redwood Region Economic Development Commission
EXECUTIVE COMMITTEE
April 22, 2013
6:00 p.m.
Minutes

I. Call to Order

Chair Mike Newman called the meeting to order at 6:00 p.m.

Present: Virginia Bass, Julie Fulkerson, Nancy Koke, Sue Long, Mike Newman, Mike Wilson

Absent: Bruce Rupp

Staff present: Don Ehnebuske, Bonnie Smoller

Also present: Russell Gans

II. Approval of agenda and minutes of March 25, 2013. M/S/P: Fulkerson/Bass. Motion passes.

III. Public Input – for non-agenda items

None

IV. Closed Session Discussion

Conference with Legal Counsel – Existing Litigation – Redwood Economic Development Commission v. J. R. Stephens Company, et al., Case No. DR130116 (Pursuant to Government Code Section 54956.9(a).)

At 6:04 p.m. the group went into closed session.

They reconvened in open session at 6:14 p.m.

No action taken.

V. Old Business

None

VI. New Business

A. CyberCity Loan Modification: This loan was made to a husband and wife and guaranteed by the wife's parents. The couple is divorcing. The guarantors of this loan requested that the husband be removed from this loan. **M/S/P: Fulkerson/Wilson to approve modification as requested.** Motion passed unanimously.

B. Discussion of Recovery Loan: Christian Dapaah: Payments on this recovery loan have been erratic but Mr. Dapaah maintains excellent communication with RREDC. The value of the collateral (real estate in Stockton, CA) has significantly reduced since the loan was made. Borrower does have an income but also has substantial debt to service.

Staff will discuss options with the borrower that may include the following: 1. payments of \$1,000 per month as an ACH (electronic transfer) to RREDC until the loan is fully paid, 2. Interest accrued since the loan was placed in recovery to be waived, 3. If any payments are not received as agreed, all back interest is reinstated and loan goes to collections.

No action taken.

- C. **Humboldt Lodging Alliance Grant Application (HLA):** Air service is vital to the economic health of Humboldt County. Airlines typically change as economic conditions and the market change.

In order to be competitive in the small community air service market RREDC would apply for a Community Tourism Project to establish a Minimum Revenue Guarantee (MRG) Fund.

Having a fund in place would enable Humboldt County to move quickly when an airline is looking to start a new route. The MRG fund would be free of government restrictions and disbursement of the funds would be at the HLA discretion.

M/S/P: Wilson/Bass moved to recommend to the RREDC board of directors the submission of a grant application to the Humboldt Lodging Alliance for the creation of an ongoing Minimum Revenue Guarantee Fund.

VII. Adjourn

The meeting adjourned at 6:28 p.m.