

**Redwood Region Economic Development Commission
EXECUTIVE COMMITTEE
Aug 26, 2013
5:00 p.m.
Minutes**

I. Call to Order

Vice Chair Julie Fulkerson called the meeting to order at 5:02 p.m.

Present: Julie Fulkerson, Nancy Koke, Virginia Bass, Bruce Rupp. Sue Long joined the group at 5:12 p.m.

Absent: Mike Newman, Mike Wilson

Staff present: Don Ehnebuske, Virginia Fisher, Bonnie Smoller

II. Approval of agenda and minutes of July 11, 2013. M/S/P: Rupp/Bass

Motion passes.

III. Public Input – for non-agenda items

None

V. Old Business

A. Update on J.R. Stephens Co. Discussion tabled until Sep 12, 2013 meeting.

VI. New Business

- A. Request to extend period of interest only payments: Riversong Natural Foods** (loan # 20136): Principal and interest payments will begin September 1, 2013. Loan maturity date will be September 1, 2020.

M/S/P: Rupp/Bass to extend interest only payments through August 30, 2013.
Motion passed unanimously.

- B. Request to subordinate UCC filing: C.W. Woods** (loan # 8930): Coast Central Credit Union has requested collateral currently held by RREDC in a UCC-1 filing in order to fund a loan to borrowers. RREDC is well collateralized by a first deed of trust on the mill property located at 2051 Eel River Drive, Fortuna.

M/S/P: Bass/Koke to release RREDC's UCC-1 filing on equipment owned by C.W. Wood Products. Motion passed unanimously.

- C. Request for change in terms: NCIDC/Carson Block Building** (loan # 20133): Replacing the roof is the first step in the necessary retrofitting. In order to begin the roof installation in optimum weather it was requested that funds be released before NCIDC receives the CDBG grant.

M/S/P: Rupp/Bass to approve modification of loan terms allowing release of construction funds prior to receipt of CDBG grant by borrower. Motion passed unanimously.

- D. Consideration of change to contract with Headwaters Fund:** The RREDC loan participation agreement with the Headwaters Fund expired on June 30, 2013. It was extended until September 30, 2013 to give HWF time to create a new proposal with new terms.

The HWF Finance Committee presented a draft Master Participation Agreement and draft Lender Agreement to RREDC in late July. Changes proposed by HWF included interest rate reduction and changes in collection costs.

The proposed changes would reduce the amount of interest to RREDC while increasing the risk RREDC would take on each loan.

Staff proposed continuing negotiations and having a presentation by the HWF Finance Committee at the next executive committee meeting to get clarification of the proposal.

No action taken.

VII. Adjourn

The meeting adjourned at 6:00 p.m.