

**Redwood Region Economic Development Commission
LOAN COMMITTEE
Tuesday, March 19, 2013
11:00 a.m.
Minutes**

Present: Jennifer Budwig, Scott Pesch, Bruce Rupp, Liana Simpson, Frank Scolari, Alex Stillman, Phil Sullivan

Absent: Greg Bowen, Dan Sweet, Pat Whitchurch

Staff: Don Ehnebuske, Virginia Fisher, Bonnie Smoller

Guest: Mike Nerat, SBDC counselor

I. Call to Order

Chair Scott Pesch called the meeting to order at 11:00 a.m.

II. Approval of Agenda and Minutes of February 19, 2013

M/S/P: Scolari/Rupp to approve the agenda and the minutes of February 19, 2013.

Motion passed unanimously.

III. Public Input

None

IV. Old Business

Thomas Allen dba Amillia's: This loan request is for an additional \$25,000 to be added to existing loan #20123, to fund costs associated with restaurant expansion to in-house dining. Amillia's is a well-established bakery/take out restaurant in Garberville. Their expansion to sit down dinners took longer than expected but did open for business on March 9, 2013.

Terms are 10% fixed for 10 years; interest only payments for 90 days. Funds would be dispersed to pay invoices already received by staff. Collateral is a second deed-of-trust on residential property located at Blue Slide Road and a UCC-1 filing on all business assets.

Additional terms required for approval of this loan: 1) LCPI on title with Humboldt Land Title, 2) increasing the lien from \$50,000 to \$75,000, 3) borrower to submit monthly financial statements.

M/S/P: Scolari/Sullivan to approve recommendation of this loan to the RREDC Executive Committee as with the additional terms and conditions. Motion passed unanimously.

B. Update on NCIDC loan: The participation agreement has been signed by all four of the funders: Humboldt Area Foundation, AEDC, Headwaters Fund and RREDC. The loan is expected to fund in April 2013.

V. New Business

A. Loan approval or denial: Audrey Henschell dba River Song Natural Foods: River Song Natural Foods is a natural food grocery store located on Hwy. 299 in Willow Creek. Audrey Henschell has operated River Song for six years in which the store has shown steady growth and profitability. This loan request is for \$42,000 for a point of sale cash register system which will allow her to track inventory. Borrower will continue to work with SBDC as her business expands.

Terms will be 10% fixed interest for seven years. Collateral will be a UCC-1 filing on all business assets. Borrower's father, Christian Blough, agrees to be a guarantor for this loan.

Additional terms required for approval of this loan: 1) verification of liquid assets of Christian Blough, 2) borrower to submit monthly financial statements.

M/S/P: Budwig/Simpson: to approve recommendation of this loan request to the RREDC Executive Committee as presented with the additional conditions of approval stated above.

Motion passed unanimously.

B. Loan Approval or denial: Andrew and Sarah Albin; Albin Enterprise LLC: At 11:26 a.m. Jennifer Budwig recused herself from this loan. Redwood Capital Bank is in first position on the subject property located at 441 Port Kenyon Road, Ferndale. This loan was referred by Jennifer Budwig.

This loan request is for \$240,000 to purchase an existing commercial ranch for expansion of cattle/lamb operations.

This is a participation loan with the Headwaters Fund (HWF); each party funding \$120,000. Interest would be 9% fixed, amortized over 25 years, due in 10 years. Collateral would be second deed-of-trust on subject property

The Albin's are experienced ranch owners who continue to refine their ranching knowledge and management skills. They sell beef and lamb within and outside of Humboldt County (Harris Ranch) and contribute to the county's economic base.

M/S/P: Simpson/Stillman to recommend approval of this request, as presented, to the RREDC Executive Committee.

Motion passed unanimously.

VI. Adjourn

The meeting adjourned at 11:41 a.m.