

**Redwood Region Economic Development Commission  
EXECUTIVE COMMITTEE  
September 12, 2013  
4:00 p.m.  
Minutes**

**I. Call to Order**

Chair Mike Newman called the meeting to order at 4:04 p.m.

**Present:** Julie Fulkerson, Sue Long, Mike Newman, Bruce Rupp. Mike Wilson joined the group at 4:14 p.m.

**Absent:** Virginia Bass, Nancy Koke

**Staff present:** Don Ehnebuske, Virginia Fisher, Bonnie Smoller

**II. Approval of agenda and minutes of August 26, 2013. M/S/P: Rupp/Fulkerson**

Motion passes.

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

None

**IV. CLOSED SESSION DISCUSSION**

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

**M/S/P: Rupp/Wilson: motion made to move into closed session.** Russ Gans, counsel for RREDC was present.

At 4:45 p.m. the group reconvened in open session.

**Action:** no report.

**V. Old Business**

None

**VI. New Business**

**A. Loan Approval or denial: Natural Resources Management Inc.:**

On September 10, 2013 the RREDC Loan Committee unanimously recommended approval for this loan request.

Natural Resources Management Inc. is a forestry and environmental resource consulting company located in Eureka since 1970. This request is for two loans.

**Loan #1** is for \$438,000. The purpose is to refinance a real estate loan and to buy out two retired shareholders. The terms would be a 10 year term with a 25 year amortization, at 9% fixed interest. Headwaters Fund will participate 50% in this loan; contributing \$219,000.

**Loan #2** is a working capital loan for \$100,000. The purpose is to purchase vehicles and

computer equipment with any remaining funds going to working capital. Terms would be 10 year fully amortized at 9% fixed interest. This loan is also in participation with Headwaters Fund with each party funding \$50,000.

Both loans would be cross-collateralized with a first deed-of-trust on two commercial properties in Eureka; CA. Properties are 1) 1434 Third Street, Eureka and 2) 1437 Third Street, Eureka.

**M/S: Rupp/Long: to approve both loan requests as presented.** Ayes: 4, Noes: 0, Abstain: 1. Motion passes.

**B. Presentation by Headwaters Fund Finance Committee regarding change to contract with Headwaters Fund:** Representing the Headwaters Fund (HWF) Finance Committee were Dawn Elsbree, Cedar Reuben and Greg Seiler.

The RREDC Executive Committee has determined that the terms proposed by the Headwaters Fund would not be in RREDC's best interest. HWF is developing a Request for Proposals (RFP) for certified financial lenders in the community.

The current master agreements between RREDC and HWF expire on September 30, 2013. At that point any loan inquiries/activity must be brought before the County Board of Supervisors.

RREDC intends to respond to the RFP when it is finalized and remains an advocate of the Headwaters Fund.

**VII. Adjourn**

The meeting adjourned at 5:12 p.m.