



Redwood Region
Economic Development
Commission

520 E Street Eureka • California 95501 • (707) 445-9651 • FAX (707) 445-9652

**Redwood Region Economic Development Commission
REGULAR MEETING OF THE EXECUTIVE COMMITTEE
520 E Street, Eureka California 95501
January 14, 2016 4:00 pm
MINUTES**

I. Call to order

Chair Sue Long called the meeting to order at 4:04 pm.
Present: Sue Long, John Woolley, Nancy Koke, Ken Mierzwa, Julie Fulkerson
Absent: Virginia Bass
Staff Present: Gregg Foster, Virginia Fisher, Shirley Santino
Present by phone: Russ Gans

II. Approval of agenda and minutes

Gregg Foster requested that an urgency item be added to the January 14, 2016 Agenda to discuss JR Stephens.

M/S/P: Koke/Fulkerson: Motion to approve January 14, 2016 Agenda with the addition of an item under Old Business: Discussion of Forbearance Agreement with loan client JR Stephens. Motion passed unanimously.

M/S/P: Fulkerson/Mierzwa: Motion to approve minutes of August 24, 2015 Executive Committee Meeting. Motion passed unanimously.

III. Public Input – for non-agenda items

None.

IV. Old business

a) Discussion of Forbearance Agreement with JR Stephens Company

Gregg Foster gave background on upcoming IRS auction of JR Stephens equipment and inventory for which RREDC holds the deed of trust. RREDC Attorney Russ Gans detailed RREDC's claim to the first \$50,000 made at the auction, and the IRS claim to the next \$250,000. Anything from sales above that will be split between RREDC and the IRS pro rata. Russ Gans will file amendment once approved, so the auction can proceed.

M/S/P: Fulkerson/Mierzwa: Motion to accept the outline negotiated with attorney and staff with the IRS in the matter of JR Stephens Company. Motion passed unanimously.

M E M B E R A G E N C I E S

City of Arcata • City of Blue Lake • City of Eureka • City of Ferndale • City of Fortuna • City of Rio Dell • City of Trinidad
County of Humboldt • Humboldt Bay Harbor, Recreation and Conservation District • Humboldt Bay Municipal Water District
Humboldt Community Services District • Manila Community Services District • McKinleyville Community Services District
Orick Community Services District • Redwoods Community College District • Hoopa Valley Tribe
Willow Creek Community Services District • Orleans Community Services District • Redway Community Services District

V. New Business

a) Loan Approval or Denial: Sasquatch LLC Loan Consolidation

Gregg Foster and Virginia Fisher reported that the Loan Committee voted to recommend this loan consolidation: Sasquatch requests \$800,000 for consolidation of their 3 RREDC loans with additional funds for a new bottling line. This will allow greater cash flow. These Conditions of Approval must be met or a default interest rate hike will be initiated: 1. Clear title showing RREDC as holding First Deed of Trust; 2. Humboldt County Property Taxes paid current; 3. Verification of monthly installment payments to IRS; 4. Monthly financials including cash flow statements; 5. Monthly meeting with staff to review business financials and management; 6. Proof of Hazard Insurance showing RREDC as the Loss Payee; 7. Loan covenant stating no additional borrowing without RREDC's approval; 8. Funds for equipment purchase to be held pending successful completion of all conditions for six months; 9. Current Health Certificate; 10. Current business asset list; 11. Documentation that CCCU note agreement is current.

M/S/P: Woolley/Fulkerson: Motion to approve Sasquatch loan consolidation request with additional condition that McKinleyville CSD grants permit to expand production capacity. Motion passed unanimously.

b) Review of Microloans Granted since last meeting

Virginia Fisher stated that the Jamie Walling loan has gone through, remarking on the ease of the new microloan system; all other clients are paying on time and are up to date; SBDC is rolling out a program in the spring to train clients on how to borrow money for their businesses, and RREDC will introduce them to its Microloan program.

c) Review of January 25th Board Meeting Agenda

Gregg Foster reminded group about upcoming election for RREDC Board of Directors Officers.

VI. Adjourn

Meeting adjourned at 4:45 pm.