



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
July 14, 2016 4 pm**

MINUTES

I. Call to order

Chair Nancy Koke called the meeting to order at 4:05 pm

Present: Sue Long, John Woolley, Nancy Koke, Marian Brady, Michael McKaskle, Virginia Bass (note: Supervisor Bass arrived at 4:15pm)

Absent: Ken Mierzwa

Staff Present: Gregg Foster, Shirley Santino, Virginia Fisher

II. Approval of agenda and minutes

M/S/P: Woolley/McKaskle: **Motion to approve Agenda for July 14, 2016 and Minutes from May 23, 2016.** Motion passed unanimously.

III. Public Input – for non-agenda items

None.

IV. Old business

None.

V. New Business

A. Loan Approval or Denial: Jon O'Connor Airport B&B

Gregg Foster and Virginia Fisher reported that the Loan Committee voted to recommend approval of this loan to the Executive Committee. Applicant Jon O' Connor founded 5 small business in Humboldt County focused on North Coast Tourism. Currently, Jon is involved with Humboldt Bay Tourism, Oyster Beach and The Coat Shop Building. He also works as a project management consultant. Jon's educational background includes a Business degree and a Master of Science in Organizational Leadership.

This \$120,000 loan request is for leasehold improvements and equipment purchase to create a mid-range boutique hotel and resort on the Samoa Peninsula airport site off New Navy Base Road. Loan will be collateralized with a 2nd deed of trust on The Coat Shop and a UCC-1 on business assets. The City of Eureka owns the Samoa Airport property and will hold the lease agreement, as well as contribute \$60,250 for renovations. Jon O'Connor has an excellent micro loan history with RREDC. This loan would be 25-year term amortized due in 10 years, 9% fixed interest, from EDA funds.

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

M/S/P: Long/McKaskle: Motion to approve Jon O'Connor's \$120,000 loan request for Airport B&B with the additional conditions of key person life insurance and extending loan approval up to 90 days as borrower is working with City of Eureka on Lease.

Motion passed with Virginia Bass abstaining because she arrived after the loan request presentation and subsequent Q&A period.

B. Request for Loan Extension: Craftsman's Mall loan #2409 for one year

M/S/P: Woolley/Bass: Motion to extend Craftsman's Mall loan #2409 maturity date for one year from June 10, 2016 to June 10, 2017. Motion passed unanimously.

C. Approval of Memorandum of Understanding with VEDC for Loan Referrals

Gregg Foster outlined how program could benefit clients with loan requests RREDC cannot meet, while generating discretionary income via 1% referral fee for any loan that gets funded that RREDC forwarded to the Valley Economic Development Corporation (which has access to State of California's CalCAP and SBA 7a "Community Advantage" loan guarantee programs). RREDC would not be liable for rendering an opinion on quality of applicants' credit.

M/S/P: Bass/McKaskle: Motion to approve Memorandum of Understanding with Valley Economic Development Corporation for Loan Referrals. Motion passed unanimously.

D. Preview of Staff Goals for FY 2017

Gregg Foster answered questions about the RREDC Staff Goals/Activities – FY 2017 draft document that he will present formally to the Board at July meeting. At executives' request he will add measurable goals where possible.

Adjourn

Meeting adjourned at 4:45 pm.