



Item II

Redwood Region  
Economic Development  
Commission

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

Redwood Region Economic Development Commission  
LOAN COMMITTEE Meeting  
January 12, 2016 at 11:00 am  
520 E Street, Eureka

MINUTES

**Present:** Dan Sweet, Patrick Whitchurch, Christopher Nelson, Scott Pesch,  
David Tyson, Jennifer Budwig, Greg Bowen, Liana Simpson.

**Absent:** Phil Sullivan, John Woolley, Bruce Rupp.

**Staff:** Virginia Fisher, Gregg Foster, Shirley Santino.

I. **Call to order**

Chairman Scott Pesch called the meeting to order at 11:00 am.

II. **Approval of agenda and minutes**

**M/S/P: Budwig/Tyson:** Motion to approve January 12, 2016 Agenda and Minutes of July 14, 2015. Motion passed unanimously.

III. **Public Input**

None

IV. **Old Business**

None

V. **New Business**

A. **Loan approval or denial: Sasquatch-LLC Loan Consolidation**

Borrowers are requesting \$800,000.00 for consolidation of their 3 RREDC loans and are requesting additional funds for a new bottling line. Over the years, Sasquatch has made many improvements to their business evident by their branded business in the Humboldt area. However, management of the business is still problematic. Historical cash flow has been poor, though showing improvement recently. While owners have built a popular location and strong wholesale and retail brand, staff remains concerned with the business management skills of the partners. However, staff is recommending approval of loan consolidation to improve the cash flow by \$1,302.08 monthly, while delaying additional funding until after delinquent taxes are current. Staff has put forth recommendation in the condition section of the attached write up to make the management aware of the necessity to become bankable, including monthly meetings with staff to review monthly business financials, cash flow statements, money management, and proof of continued payments to IRS. After 6 months of adherence to the Conditions of Approval and solid financials, disbursement for new equipment will be considered.

MEMBER AGENCIES

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: Budwig/Sweet: Motion to approve the Sasquatch LLC loan consolidation request and recommend approval to the RREDC Executive Committee with the following changes: update the collateral table on page 5 to reflect tangible assets; change in terms from 10 year to 5 year; initial disbursement will be the loan consolidation and property taxes with the estimated funding of \$767,358. Motion passed unanimously.**

**VI. Reports**

- A. Review of Microloans** Granted since last meeting: Jamie Walling CPA \$50,000 loan is closing 1/15/16; Jennifer Budwig commented on how well the RREDC Microloan process worked in this case and appreciates how quickly it came together. Gregg Foster relayed ongoing efforts to increase the amount of funds available through this program. Virginia Fisher reported that Microloan payments are current and some already paid off.
- B. 2016 Committee Membership:** Group was asked to state their interest in continuing on this committee, or not, before the RREDC Board of Directors Meeting February 22.
- C. Portfolio Review:** October 30, 2015 and November 30, 2015 were presented. It was pointed out that for the first time in RREDC's history, the total of fund in active loans exceeds \$4 million.
- D. Plans for 2016:** At the February Board of Directors meeting Gregg Foster will present the 1<sup>st</sup> Draft Budget for FY 2016/2017; Microloans will be more likely than large loans unless payoffs or new additional EDA funds make more capital available.

**VII. Adjourn**

Meeting adjourned at 11:52 am.