

**Redwood Region Economic Development Commission
LOAN COMMITTEE
Tuesday, January 17, 2012
11:00 a.m.
Minutes**

Present: Jennifer Budwig, Scott Pesch, Frank Scolari, Phil Sullivan, Dan Sweet, Greg Bowen (alternate)

Absent: Dean Charlton (alternate), Bruce Rupp, Sherman Schapiro, Liana Simpson

Staff Present: Virginia Fisher, Gregg Foster, Bonnie Smoller

I. Call to Order

Chair Scott Pesch called the meeting to order at 11:16 a.m.

II. Approval of Agenda and Minutes

Scolari/Sullivan to approve the Jan. 17, 2012 agenda and the minutes of November 15, 2011.

III. Public Input

None

IV. Old Business

None

V. New Business

A. Loan Approval or Denial: Giant Redwood RV & Camp: the purpose of this loan is to assume the present loan with additional funds to purchase the property. The loan amount is \$335,000, at 9% fixed, for 10 years with a 25 year amortization. The loan was referred by Jennifer Budwig, Redwood Capital Bank.

Buyers/borrowers are Travis Schneider, Will Ford and Jenny Rogers. Sellers/current borrowers are John Rath, Dave Rath and Annie Rath. The price for the property is \$350,000. Buyers are putting \$15,000 of their own money down, with the remainder coming from the RREDC loan.

Collateral would be a first deed of trust on the property and a UCC-1 filing on assets. Owners Schneider, Ford and Rogers agree to be personal guarantors for the loan.

Giant Redwood RV and Camp is located on the Avenue of the Giants in Myers Flat, California. The Rath's have owned and operated the campground since 1994; in 2005 John and his late wife, Karen, were approved for a RREDC loan.

Borrowers/buyers Schneider, Ford and Rogers plan on upgrading the property and marketing, with Schneider being the actual operator of the park. All three partners are financially sound and have combined experience in financial management, marketing and recreational park management.

Scott Pesch and Jennifer Budwig recused themselves from voting on this loan.

M/S: Sullivan/Scolari to recommend approval of this loan to the RREDC Executive Committee with the condition that borrowers increase their equity contribution to \$75,000. Motion passed.

B. Loan Approval or Denial: Cybercity Family Entertainment Center: The purpose of this loan is to purchase new laser tag equipment. The loan amount is \$37,500 at 10% fixed, for seven years, fully amortized.

Mark and Angela Jubb, owners of Cybercity, have been loan clients since 2008. They are current on all payments. Angela's father, Robert Mullin, agreed to co-sign this loan.

Collateral would be a 3rd deed of trust on property owned by Robert Mullins; located at 1794 Fischer Road, McKinleyville, CA, and a UCC-1 filing on all business assets.

Borrowers are negotiating a lease addendum with their landlord. The group asked that the loan be tabled until terms of the lease are established.

C. Term Limits and Form 700: The terms of Jennifer Budwig, Dan Sweet, Dean Charlton, Scott Pesch, Sherman Shapiro and Gregg Bowen will end on March 1, 2012. All members agreed to continue on the committee for a term ending March 1, 2014.

Greg Bowen expressed interest in moving to the Member at Large position that is currently vacant.

All members were asked to submit a Form 700 Statement of Economic Interest for 2011. March 31 is the deadline to submit the form.

VI. Adjourn

The meeting adjourned at 11:46 a.m.