

Redwood Region Economic Development Commission
LOAN COMMITTEE
Monday, January 24, 2011
5:30 p.m.
Minutes

Present: Sherman Schapiro, Frank Scolari, Phil Sullivan, Dan Sweet

Absent: Greg Bowen, (alternate), Jennifer Budwig (recuse), Dean Charlton (alternate) Scott Pesch (recuse), Liana Simpson

Staff Present: Virginia Fisher, Gregg Foster, Bonnie Smoller

I. Call to Order

Frank Scolari called the meeting to order at 5:36 p.m.

II. Approval of Agenda and Minutes

M/S/P: Sweet/Sullivan to approve the agenda and the minutes of November 2, 2010.

III. Public Input

None

IV. Old Business

None

V. New Business

A. Loan Approval or Denial: Travis and Holly Smith dba T.I. Smith Electric: This loan request is for \$60,000 to purchase commercial property at 101 and 107 Wabash Ave. and to make project improvements. The loan term would be seven years (84 months) at 10% fixed interest.

This loan is in participation with Redwood Capital Bank, who would hold the first deed of trust on the subject property. RREDC would hold a second deed of trust on the property and a UCC-1 filing on all business assets and receivables.

T.I. Smith Electric (TISE) is a sole proprietorship, non-union C-10 electrical contracting company. Travis Smith has 12 years experience as a journeyman electrician and contractor. Holly Smith manages the business office, including AP, AR, collections, and all TISE procedures and policies.

The property has two buildings. 107 Wabash is leased to Rita's Mexican Restaurant. Borrowers will receive the rental income from the restaurant as part of the purchase agreement. Rita's is in process of signing a 3-5 year lease renewal.

The building at 101 Wabash is a former gas station. The seller has a letter dated 7/9/2007 from Humboldt County Environmental Health stating completion of the site investigation and corrective action regarding the underground storage tank. The borrowers plan to use the building at 101 Wabash as shop and storage space for TISE.

Conditions of approval include verification of the renewed lease with Rita's and confirmation of payment of the borrower's estimated 2010 State and Federal taxes.

M/S/P: Schapiro/Sweet to recommend this loan for approval to the RREDC Executive Committee.

B. Loan Member Terms: The terms of Frank Scolari, Liana Simpson and Phil Sullivan will end March 1, 2011. Helen Edwards has been reappointed as a board alternate, so is no longer eligible to serve on the Loan Committee.

Our bylaws state that there are no term limits, but members need to be appointed by the Board of Directors before March 1 of each year.

Members are asked to let staff know their decision to serve before the February 28, 2011 board of directors meeting.

VI. Adjourn

The meeting was adjourned at 5:56 p.m.