

Redwood Region Economic Development Commission
LOAN COMMITTEE
Tuesday, October 4, 2011
11:00 a.m.
Minutes

Present: Greg Bowen (alternate), Jennifer Budwig, Scott Pesch, Bruce Rupp, Sherman Schapiro, Frank Scolari, Liana Simpson, Dan Sweet
Absent: Dean Charlton (alternate), Phil Sullivan
Staff Present: Virginia Fisher, Gregg Foster, Bonnie Smoller

I. Call to Order

Chair Scott Pesch called the meeting to order at 11:00 a.m.

II. Approval of Agenda and Minutes

M/S/P: Simpson/Scolari to approve the agenda and the minutes of September 20, 2011. Ayes: Bowen, Budwig, Pesch, Rupp, Scolari, Simpson, Sweet; Noes: none; Abstain: Schapiro. Motion passes.

III. Public Input

None

IV. Old Business

None

V. New Business

A. Loan Approval or Denial: McKeever Energy & Electric Inc. Nathan McKeever is the owner of McKeever Energy & Electric Inc. (ME&E). ME&E is a full service electrical contracting and energy consulting firm specializing in environmentally responsible construction practices with an emphasis on renewable energy.

This loan request is for \$250,000 line of credit to fund upfront costs associated with the Aster Place Project, an affordable housing project in the Myrtle town area of Eureka. The term would be 15 months at 10% fixed interest.

Aster Place is a project of the Humboldt County Community Development Services Department, funded by a four million dollar state grant. Danco Group is the contractor for the project. ME&E secured a \$450,000 contract with Danco Group for the solar installation piece.

The project will be completed in phases. ME&E will need to make several draws on the line beginning in October and continuing through December 2011.

Collateral will be payment from Danco in the form of checks made payable to ME&E and RREDC. The timeline for repayment from Danco is estimated to be up to 90 days from submission of invoices from ME&E. Additional collateral would be liquidation of ME&E business assets.

The committee added conditions of approval for this loan. 1) to change the wording of condition #4 to read, “Before second disbursement is made, RREDC will request a written verification from Danco that work performed to date is satisfactory, and payment will be forthcoming. Before the third disbursement, as well as all subsequent disbursements, this written verification will be a requirement.” 2) to clarify, \$80,000 is the maximum amount that will be disbursed before receiving payment and/or verification of satisfactory completion and intent to pay, from Danco. 3) Preliminary Lien Notice to be filed by ME&E.

M/S/P: Simpson/Bowen: to recommend approval for this loan request to the RREDC Executive Committee, with all conditions as presented, amended and added. Motion passed unanimously.

VI. Adjourn

The meeting was adjourned at 11:59 a.m.