

MINUTES
EDC-VC BOARD OF DIRECTORS MEETING
April 16, 2020

- Location:** 4001 Mission Oaks Blvd, Camarillo, CA 93012 and by teleconference.
- Attendance:** Haider Alawami – City of Thousand Oaks, Liaison, ED Managers Roundtable
Gerhard Apfelthaler– California Lutheran University
Dee Dee Cavanaugh – City of Simi Valley
Gary Cushing – Chambers of Commerce Alliance
Kristin Decas – Port of Hueneme/Oxnard Harbor District
Nan Drake, *Chair* – E.J. Harrison Industries
Henry Dubroff – Pacific Coast Business Times
Bob Engler – City of Thousand Oaks
Amy Fonzo – California Resources Corporation
Cheryl Heitmann – City of Ventura
Cynthia Herrera – Ventura County Community College District
Bob Huber – County of Ventura
Nina Kobasyashi – Mechanics Bank
Jey Lacey – Southern California Edison
Kelly Long, *Vice Chair* – County of Ventura
Chris Meissner – Meissner Filtration Products
Roseann Mikos – City of Moorpark
Shawn Mulchay – City of Camarillo
Michele Newell – VCEDA
Tony Skinner – IBEW Local #952
Andy Sobel – City of Santa Paula
Sim Tang Paradis – City National Bank
William Weirick – City of Ojai
Alan Yeager – NSWC Port Hueneme Division (Liaison)
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Absent:** Will Berg – City of Port Hueneme
Skyler Ditchfield– Geolinks
Harold Edwards – Limoneira Company
Anthony Goff – Calleguas Municipal Water District (Liaison)
Vianey Lopez – City of Oxnard
Manuel Minjares – City of Fillmore
Will Mitchell – Strata Solar Development
Karineh Moradian – Kaiser Permanente
Jim Scanlon – Arthur J. Gallagher and Co
Alex Schneider – The Trade Desk
Trace Stevenson – AeroVironment, Inc.
Ysabel Trinidad – California State University Channel Islands
Brian Tucker – Ventura County West
- Legal Counsel:** Nancy Kierstyn Schreiner, Law Offices of Nancy Kierstyn Schreiner

Staff:	Ray Bowman, EDC SBDC Director Shalene Hayman, Controller Kelly Noble, Office Manager Bruce Stenslie, President/CEO
Guests:	Carmen Ramirez, City of Oxnard Staff Representative, Assembly Member Christy Smith Paul Stamper, County of Ventura Rachel Wagner, Southern California Association of Governments
Call to Order:	Vice Chair Kelly Long called the meeting to order at 3:32 p.m. Long thanked everyone for attending.
Amendment to the Agenda:	None
Public Comment:	None
Minutes:	Approval of Meeting Minutes, February 20, 2020 Vice Chair Long asked if there were any comments on the March 19, 2020 minutes. With none, Long asked for a motion to approve the minutes from March 19, 2020. Bob Huber motioned to approve the minutes from March 19, 2020. William Weirick seconded the motion. Nan Drake not in attendance for this item. All remaining Board members listed in attendance in favor, motion carried.
Financial Report:	March 2020 Financials Shalene Hayman briefly reviewed the March 2020 financials. Long asked for a motion to approve the March 2020 Financials. Dee Dee Cavanaugh motioned to approve the March 2020 Financials. Henry Dubroff seconded the motion. Nan Drake not in attendance for this item. All remaining Board members listed in attendance in favor, motion carried.
Administration:	Consideration to Approve a Corporate Resolution to Borrow \$500,000 from Pacific Western Bank, for the Purpose of Capitalizing a Disaster Recovery Loan Fund, Delegating Authority to the EDC President/CEO to Execute the Business Loan Agreement, Promissory Note and Other Agreements as Appropriate and Necessary to Access the Funds, Subject to Legal Review. Recommendation to Approve. Dee Dee Cavanaugh excused herself from the meeting for this agenda, item, recusing given her employment with Pac West Bank. Stenslie recalled for the Board that the EDC has operated business loan programs continuously and successfully since 1997, maintaining capacity through a full-time Loan Program Director on staff and working in collaboration with banking and finance professionals serving as our Loan Board. Our sources of capital have long included the U.S. Department of Commerce, matching funds from the cities and county, and federal Community Development Block Grant funds. Currently, these funds are for the most part available for lending countywide, with the primary objective being job creation. EDC also manages a loan program capitalized through California Proposition 10 Tobacco Tax funds, through First 5 Ventura County, for lending to support the expansion of early child education capacity. The total amount of loans made from all funds is \$20 million, with a current open portfolio of approximately \$6 million. Our loan loss ratio is under 7%, which is extremely competitive in our field considering our niche is lending to firms denied access to commercial credit.

Following the Thomas Fire in late 2017 EDC developed its own disaster loan fund, capitalized by private sector contributions. The fund was launched in February 2018 through a \$250,000 contribution from Pacific Western Bank and \$250,000 from the Gene Haas Foundation. In March of 2019, in response to an increased demand for capital following the Hill/Woolsey Fire, Pacific Western Bank increased their initial \$250,000 to \$384,000.

Today's recommended action is to secure an additional \$500,000 from Pacific Western Bank, at 2% interest, maturing on December 31, 2025. See below for more detail on terms and conditions

Our purpose in establishing this loan fund is not to provide bridge capital for businesses while they seek funding from the larger Small Business Administration loan programs, which in many instances take some time to navigate. We may also loan to firms that are unable to secure capital from any of the other existing programs.

To date, we have already received inquiries for loan capital from more than 250 businesses. We are referring them all to the SBA and other products, though by establishing this fund we will make available another resource to assist businesses to survive through this challenging period.

For this activity we are continuing to look for additional loan capital. Currently, with this \$500,000 and capital remaining available from Pacific Western Bank's prior \$384,000 contribution we have some \$700,000 available. That funding should accommodate some 20 loans.

Also in support of this activity we have received grants of \$25,000 from the Ventura County Community Foundation and \$5,000 from Mechanics Bank, supporting our employment of back office support in lending.

Finally, for this activity we have secured access a 95% loan guarantee from the California Infrastructure and Economic Development Bank (IBank). As noted above, borrowers will be charged a 2.5% fee to secure the IBank guarantee. Further to assure our security, Pacific Western Bank has also provided a \$25,000 contribution to our loan loss reserve.

Long requested a motion that the Board of Directors approve the Corporate Resolution to Borrow \$500,000 from Pacific Western Bank, dated April 9, 2020, for the purpose of capitalizing a disaster recovery loan fund, delegating authority to the President/CEO to execute the Business Loan Agreement, Promissory Note and other agreements as appropriate and necessary to access the funds, subject to legal review. William Weirick motioned that the Board of Directors approve the Corporate Resolution to Borrow \$500,000 from Pacific Western Bank, dated April 9, 2020, for the purpose of capitalizing a disaster recovery loan fund, delegating authority to the President/CEO to execute the Business Loan Agreement, Promissory Note and other agreements as appropriate and necessary to access the funds, subject to legal review. Cheryl Heitmann seconded the motion. With Dee Dee Cavanaugh recusing, all remaining Board members listed in attendance in favor, motion carried.

Update on Business Impacts & EDC Response to COVID-19

Stenslie noted that staff is working hard to respond to the avalanche of calls and need in businesses across the board.

As of April 15 we have over 500 active COVID-19 clients and more than 100 more in the process of getting to an advisor. Those numbers do not include the several hundred calls we've taken for general information and referrals to SBA.

We're also getting more than 10,000 weekly unique visitor hits to our website (compared to 2,500 monthly previously).

The most common requests for assistance include:

- Access to loan capital
- Interpreting new rules on sick leave and family medical leave act
- Unemployment insurance

To accommodate this activity, we have gone through a couple of near complete re-engineerings of our process for intaking and serving clients. Staff will provide an update on our current strategies. Among the strategies is to move more of the client engagement activity to webinars and group sessions.

Finally, we have brought on 4 new part-time, limited term staff to assist in the front-end intake and traffic management. Each of these were former interns or current interns, with the time available and some background already in understanding our services and processes, so there is a quick on-boarding.

New Federal and State Resources, and EDC Resource Development Efforts, COVID-19 Crisis

For a summary of the main features of the federal CARES Act, as pertains to economic development, staff has previously distributed information from the International Economic Development Council.

Among the features of the federal action is more than a doubling of funding for Small Business Development Centers and an enormous pool of funds for small business loans. In discussion, staff provided more detail on the loan funds and other resources.

Staff is reaching out to local banks and funders for capitalizing our own loan fund, which we're using as either a bridge or alternative to SBA loan products.

Projecting the Regional Economic Impacts, Unemployment Rate, Resulting from COVID-19

Given the unprecedented breadth of this economic crisis, and the uncertainty as to how long it will last, there is little in precedence to help project where the unemployment rate may go.

By no means for a definitive statement, we have taken a shot at estimating what the April unemployment rate may look like, coming up with a very conservative estimate of approximately 22%.

What we've done is taken a look at how each industry sector is impacted by the stay at home Orders. We've also taken into consideration the employment practices and profiles of each sector, e.g., share of contingent and part-time labor, the size of businesses, etc.

Ray Bowman presented a new dashboard staff have developed for tracking client activity and outcomes relating to COVID-19. The data is at the bottom of our COVID-19 web

page: <https://edcollaborative.com/covid19/>.

President's Report

Stenslie provided information on the on-going networking of city and county economic development leads and other service organizations.

Committee/Liaison Reports:

Naval Surface Warfare Center – None

VCEDA – None

Economic Developers Roundtable – None

Ventura County Lodging Association – None

Calleguas Municipal Water District – None

New or Unfinished Business:

None

Board Comments:

Bob Huber thanked everyone who participated in this meeting, emphasizing its importance and thanking the EDC board and staff for their commitments.

Adjournment:

Meeting adjourned at 4:53 p.m. Our next meeting is May 21, 2020, 4001 Mission Oaks Blvd, Camarillo and by teleconference.