

CITY/COUNTY REVOLVING LOAN FUND

Board Meeting Minutes

February 19, 2004

The City/County Revolving Loan Fund Board met Thursday, February 19, 2004, at 3:30 p.m. in the Planning Department Conference Room, 2nd Floor, City Hall. The following members were present:

Randolph Young	George Stewart	Mary Haynes	Larry Madrid
Martha Maldonado	Roberto Guerra	Maggie Alvidrez	

Others present: Magdalena Baca, Bank of the West; Gordon Cook, Rio Grande Council of Governments; Larry E. Romero, Linda Castle, and Melissa Johnson, Economic Development Department.

A. Call to Order

Chair Young called meeting to order at 3:38 p.m.

B. Approval of January 15, 2004 RLF Board Meeting Minutes

Chair Young asked for a motion to approve the above item. Bob Guerra noted that the date needed to be changed from 2003 to 2004. Motion for approval, with the date correction, was made by Mr. Guerra and seconded by Martha Maldonado and the motion passed.

C. Discussion and Action on Monthly Loan Report

Gordon Cook distributed the report to all members present. Mr. Cook stated Cookies In Bloom should be current on her interest payments by May. George Stewart asked for an update on Dr. Wilson. Mr. Cook commented he would contact Dr. Wilson next week, and added that Dr. Wilson has taken out additional certification in hopes of improving business. Linda Castle stated Mattress Universe is now current, making principal and interest payments. Chair Young asked for a motion to approve the monthly report, Mr. Stewart motioned and Robert Guerra seconded. The motion passed.

D. Updates on Recent Developments with City/County Revolving Loan Fund

Linda Castle stated that the ACCION sub-grant was approved by City Council and ACCION would be able to begin loaning money by Monday or Tuesday of next week. Chair Young asked if there was any update involving the County. Mr. Romero commented that Ed Dion, the County auditor, has a lot of negative input when it comes to doing anything with the City. Chair Young then informed the Board that Dan Haggerty was going to call a meeting with the County Commissioners. Mr. Romero said if they were willing to call a joint meeting, the City would be more than happy to attend. Mary Haynes stated she spoke with Judge Briones regarding the fact there is not a need for a separate entity to take care of the County's money. Ms. Haynes suggested to the Judge that it would be better if everyone on the Board participated on all loan decisions, since the Board has a good handle on the process. Ms. Haynes also brought the Board member terms to Judge Briones' attention. Judge Briones suggested an extension of terms. Ms.

Castle said the City's legal department did not have a problem with increasing the number of terms to three from the current maximum of two two-year terms.

Mr. Romero introduced the newest board member, Maggie Alvidrez. Ms. Alvidrez commented on her 18 years of experience as an interior designer working with architects, developers, and contractors. She also stated she developed a new business, which is currently two and a half years old.

E. Discussion and Action on Loan Applications

Note: Mr. Guerra abstained from discussion and action on the Cold Stone Creamery loan presentation due to his employment at Bank of the West.

Ms. Magdalena Baca of Bank of the West presented the loan request for Mr. and Mrs. Greg Cropp, Cold Stone Creamery. She said the bank denied the loan back on October 21, 2003, due to concerns about a poor location. She noted that there is a new location and that the bank committee has now approved the loan; the new location is 1830 Zaragosa where there is a great amount of commercial activity. She said Mr. Cropp has experience with management and ownership of a Dairy Queen in Arkansas and plans to inject \$40,000 from the sale of his Dairy Queen, plus \$20,000 out-of-pocket into this business. There will be a \$190,050 SBA guaranteed loan from the bank and \$50,000 from the RLF. The total loan amount is \$240,050. Ms. Baca said the Cold Stone Creamery franchise began in 1988 and has become one of the fastest growing franchises; the franchise has been on the annual franchise top 500 lists by *Entrepreneur Magazine*, and has 800 stores around the country.

Martha Maldonado asked if there was a credit report, noting that she would like to see the credit report in the bank's presentation. Ms. Baca said the bank did get a credit report and that the credit score was good. Gordon Cook asked if the borrowers will get term life insurance in the full amount of the loan. Ms. Baca replied the loan would be insured for \$240,000. Ms. Maldonado commented on the great location chosen for this store, that her employer has sold over 400 new homes in the area.

Ms. Haynes made a motion to approve the RLF loan for \$50,000 at four percent interest (4%) for five years, with full insurance. Ms. Alvidrez seconded the motion and the motion passed.

F. Discussion and Action on Next Meeting Date

Chair Young suggested the next RLF Board meet on Thursday, March 18, 2004, at 3:30 p.m. Ms. Haynes moved to approve and Mr. Larry Madrid seconded the motion. The motion passed.

G. Adjournment

There being no further business, the meeting was adjourned at 3:59 p.m.