

## 2005 Borrowers — continued

**Geiger's Long Valley Market** in Laytonville used their loan to build a beautiful new full service market in their small community where residents were driving to Willits for supplies. Owners are Michael and Shanna Braught. Current jobs: 25

**Jessicurl** makes products for curly haired people in Arcata. Funds were used to purchase equipment and for operating expenses. Owned by Dave Berman and Jessica McGinty. Current jobs: 2

**Maple Creek Organic** produces flavored organic syrups and is owned by Lisa Roberts. She operates from CR's Hospitality Institute community kitchen. Loan funds were used for operating expenses. Current jobs: 1

**The Metro**, a music store in Arcata, is owned by Levi Land and Genevieve Noggle. The store sells CDs, instruments and performance tickets. Funds were used for long-time employees to purchase the store from previous owners. Current jobs: 4

**Redwood Harley Davidson** in Eureka, owned by Rocky Poole and Phoebe Smith. Funds for construction of a new building which will house an enlarged retail showroom and bike service area. Current jobs: 15

**Street, Track and Trail** is a recreational bike and quad runner retail and service shop in Fort Bragg. Funds were used for purchase of the business by owners Jason and Joye Silva. Current jobs: 2

**Strongbridge Montessori School** in McKinleyville is owned by Hilary Mosher. Hilary used her loan to help with start-up costs. Current jobs: 2

**TranquiliTea** is owned by Jennifer Epstein and Cassandra Sagaris-Leatherman. This Arcata business is expanding to include a café using AEDC loan funds. Current jobs: 2

**Wildflower Café and Bakery** in Arcata was purchased from its previous owners by Darcy McDonnell and Patrick Quinn, using AEDC loan funds. Current jobs: 17



AEDC - Dedicated to fostering small business growth.

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# News

DEL NORTE HUMBOLDT LAKE MENDOCINO SISKIYOU TRINITY

## Crescent City Salon Expands with Beauty School Funding from AEDC

Dean Valero of Crescent City made his dream a reality by expanding his salon and beauty supplies to include a beauty academy. "We are the only beauty academy between Eureka and Grants Pass," says AEDC borrower Dean Valero. "There are no vocational schools in Crescent City," he continues "and I really like providing this opportunity for education to the community."

Dean opened his En Vogue Salon in 1995 after moving to Crescent City to be near family in 1992. En Vogue offers the services of three hair stylists and two manicurists and carries a complete line of beauty supplies.

In 2001, Dean expanded his salon business with a loan from AEDC and he opened the Vogue Beauty School. The school enrollment is a dozen students this year and has graduated 70 hairdressers and manicurists since it opened.

When Dean is asked how Crescent City has changed since the early '90's and the town's prospects for the future, he explains "When I first got here there were more stores, and those stores that are still in business today have made it through the hard part. Now I see buildings in town being bought and renovated. I think Home Depot opening a store here is going to be a great asset. I like it here and we have great support from the community."

*"We are the only beauty academy between Eureka and Grants Pass."*

When Dean was considering expanding his business and looking for funding, he recalls, "I first tried going through the SBA and it wasn't a good situation." Dean was referred to AEDC through his realtor and he says, "I called Kelli Denney (loan manager at AEDC) and she was absolutely wonderful! She told me everything right up front and we had the loan process complete and funded in about three weeks."

"Our loan provided an infusion of inventory, allowed us to re-do the stations, purchase computers and purchase a monitor for presentations. I really stretched that loan money, it even helped us with our accreditation process," he continues.

"With part of the funding from our AEDC loan we were also able to open a mocha bar in the salon and that has been very popular."

"I have really liked owning the salon and the school," Dean declares. "Right away I saw the need in this area for salon supplies and I was able to develop a great clientele." In addition to providing space for five people to work, Dean's business provides employment for his mother, who manages Vogue Beauty School, and his girl friend, who is an instructor in the school. "And now it's a family business," he says proudly.

**DURING THE DAY** most small business owners work hard to meet the on-going challenges of keeping operations moving forward. And at night, many of these business owners dare to dream of expanding their business to serve an even wider market.

## 2005 Borrowers

Here is a "snapshot" of some of AEDC's borrowers in FY 2005.

**The Del Loma RV Park** in Big Bar, Trinity County, owned by Jane and Patrick McCalmont. Loan funds were used to purchase 48 acres adjacent to their RV park, expand their RV spaces and build cabins for campers. Current jobs: 4



**Fat Rat Enterprises**, owned by Matt Ruchong and located in Fortuna, offers after market accessories and installation for trucks and cars. Loan funds were used for start up costs and operating capital. Current jobs: 1.5

**G & S Milling** in Willits is owned by Fred and Chris Galten. Loan funds were used to construct improvements to their buildings, including a breezeway, lobby and offices at their mill site. Current jobs: 21.

*Continued on back page*



**Celebrating 27 Years - Creating Prosperity One Business at a Time**

## 2005 AEDC Board of Directors

Nancy Streufert, PRESIDENT  
*Attorney for small businesses and nonprofits*

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*Owner, MLC Consulting; Vice Chair of Workforce Investment Board*

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*Controller, Simpson Timber*

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*Rehabilitation Counselor, California Department of Rehabilitation and Lecturer, Humboldt State University*

Tina Susmilch  
*Vice President, Commercial Loan Officer Redwood Capital Bank*

Dr. Sheila Steinberg  
*Associate Professor, Dept. of Sociology, Humboldt State University*

## AEDC Staff

Jim Test, EXECUTIVE DIRECTOR

Deborah Downs, CONTROLLER

Kelli Denney, LOAN MANAGER

Barbara Garza, PROGRAM COORDINATOR

Tony Rodrigues, LOAN SERVICING

Kristy Brundin, BOOKKEEPER/  
ADMINISTRATIVE ASSISTANT



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## Rio Dell Awarded EPA Grant

The City of Rio Dell was awarded a Brownfield Assessment grant by the Environmental Protection Agency in May of 2005. This \$200,000 grant will allow the City to determine the condition of contaminated brownfield sites in the heart of downtown. Once the assessment has been completed, site remediation and reuse becomes a possibility.

AEDC staff helped prepare the successful grant application and subsequent workplan required to gain funding for the project. "The City would not have been able to put this together without AEDC's help," said Jay Parrish, Rio Dell City Manager.

## Economic News from Mendocino County

On Tuesday November 1, Patty Berg, Assemblymember 1st District presented West Company with a framed California State Assembly Proclamation naming the month of October as Microenterprise Development Month. Patty Berg also presented certificates to the winning client Entrepreneurs of West Company, Sheila Leighton of Redwood Home Inventory as Entrepreneur of Promise, Rebecca Mc Vicar, Mendocino Wood International as Entrepreneur of the Year and Naoko and Yoshiki Sakanes of OCO TIME as graduates of Microenterprise. A special presentation was made to Kathy Brigham, Board Member for her many years of volunteer service to Microenterprise Development in Mendocino County.

Many interested local community members took their seat on a bus that toured the decommissioned mill site owned by Georgia Pacific. This plot of land that is equal to 1/3 of the City of Fort Bragg holds a great deal of potential for the community both economically and as a recreational source. Many public meetings have been held to direct the use and design of the property but only a few decisions have been made. The most promising decision is a 100 foot strip of land next to the ocean to become a public access. This will become a rider or foot path along the coast from the harbor to end of 10 mile beach as soon as the 100 ft. long path opens and the bridge trestle is reconstructed over Pudding Creek. The community eagerly awaits the opening of this recreational area.

-- Submitted by Pamela Patterson, CEO, West Company, a non-profit organization assisting microbusiness in Mendocino County

## AEDC's Annual Meeting & Open House

Arcata Economic Development Corporation's Annual Meeting and Open House was held Oct.25, with 25 community members coming together to celebrate organizational accomplishments in the past year.

President Nancy Streufert presided over presentations from loan committee chair Tina Susmilch, finance committee chair Larry Dugger and program committee member Becky Price Hall detailing each committee's achievements in FY 2005.

The Annual Meeting was catered by Celebrations Catering, located in the Foodworks building now operated by College of the Redwoods. Lucky winners of the Humboldt food products "Humbolicious" gift baskets from McKinleyville's Bella Baskets were Tom Hofweber, Steve O'Meara and Stan Elcock. See you there next year!

## 2005 AEDC FINANCIAL REPORT AND LOAN ACTIVITY

The results of AEDC's audit for fiscal year 2004-05 show some areas where the organization needs to grow as well as some possible reflections of changes in the local economic climate.

While AEDC made fewer loans than last year (17 in 2005, down from 27 in 2004) our dollars loaned increased from \$3,384,400 to \$3,722,300 with five SBA 504 loans in FY05 versus nine in FY04. The size of our loans is increasing; perhaps a reflection of the growth and maturity of the business climate in parts of our six county service area. We currently have two 504 loans in the pipeline totaling \$1,516,000.

Funding from AEDC created or maintained 99 jobs this year. Of the 17 loans we made, 14 were to existing businesses and 3 were to start-up businesses.

Loan Manager Kelli Denney and Loan Servicing Officer Tony Rodriguez continue to staff our dedicated loan department. Controller Deborah Downs and Bookkeeper Kristy Brundin were acknowledged by 2005 auditors Jackson and Ecklund for their efficient processing of audit documents, leading to an early September audit completion date and once again an unqualified opinion, which means there were no findings by the auditors.

--Larry Dugger, AEDC Treasurer

### FINANCIAL POSITION

	2005	2004	2003
Current Assets	\$630,127	\$642,378	\$931,497
Total Assets	4,736,350	4,691,771	4,335,878
Current Liabilities	260,879	361,520	252,594
Total Liabilities	4,468,811	4,177,438	4,275,735
Net Assets	6,660	152,813	60,143

### OPERATIONAL ACTIVITIES

	2005	2004	2003
Total Revenues	\$596,152	\$800,302	\$803,158
Total Expenses	742,305	707,362	610,227
Change in Net Assets	(146,153)	92,670	192,931

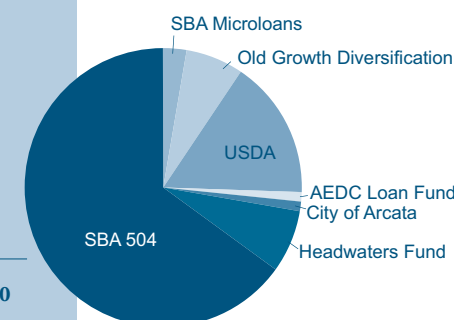
### LENDING ACTIVITIES

	2005	2004	2003
Total Funds Loaned	\$3,722,300	\$3,384,400	\$2,848,450
Loans Outstanding	\$3,235,261	\$2,879,276	\$2,628,387
Loans Serviced	\$16,003,923	\$14,144,489	\$12,886,450

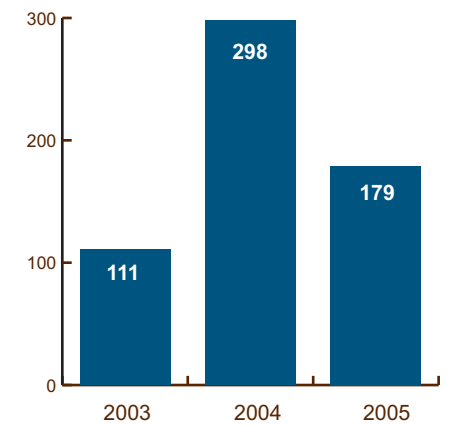
### 2005 LOANS BY PORTFOLIO

SBA Microloans	\$106,690
Old Growth Diversification	\$243,000
USDA	\$597,000
AEDC Loan Fund	\$49,500
City of Arcata	\$37,460
Headwaters Fund	\$268,650
SBA 504	\$2,420,000

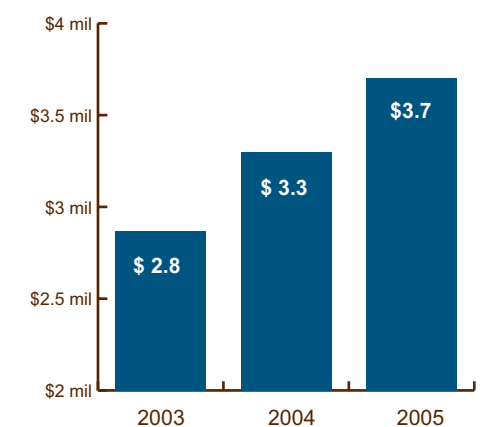
**Total Loans \$3,722,300**



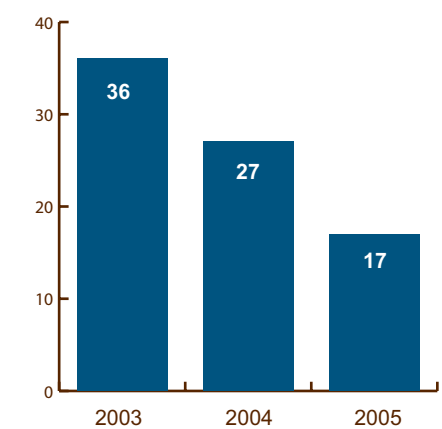
### Jobs Created / Retained



### Dollars Loaned



### Number of Loans



### LOANS BY COUNTY

	2003	2004	2005	3 yr. Total
Del Norte		1		1
Humboldt	35	24	13	72
Lake	1			1
Mendocino		2	3	5
Siskiyou				0
Trinity			1	1