



Downtown Stockton Enterprise Loan Fund Meeting Minutes
Tuesday November 12th 12:00 PM, at the offices of the Downtown Stockton Alliance
125 Bridge Place 3rd Floor, Stockton CA

Board of Directors Present: Aaron Edwards, Patricia Palacios, Steve Lantsberger, Luis Duarte, Nicole Snyder

Directors Absent: Laurence Held, Robert Oakes, Giovanni Trinchera

Staff: Mike Huber, Courtney Wood

Minutes

1. Call to Order/Roll Call
 - The meeting was called to order at 12:10 PM
2. Public Comments
 - No public comments
3. Approval of Financial Statements from September – Action Item
 - L. Duarte requested that the Bank of Stockton statement cycle be changed to end exactly at the end of every month. Currently it ends on the 27th, so any payments made after the 27th aren't accounted for until the following month's statement. C. Wood stated that she would work on making this adjustment with the bank.
 - A motion was made (A. Edwards/P. Palacios) to approve the September financial statements. The motion passed unanimously.
4. Approval of Financial Statements from October – Action Item
 - A motion was made (A. Edwards/P. Palacios) to approve the October financial statements. The motion passed unanimously.
5. Approval of October Minutes – Action Item
 - This item was tabled until the next meeting since only 1 person at the November meeting was present at the October meeting.
6. Loan Performance Updates/Loan Delinquencies/New Applications – Informational Item
 - C. Wood shared that the FED has submitted additional documents to move forward with their application.
7. DSELF Applicant Lease Agreement Policy – Discussion & Action Item
 - S. Lantsberger explained the current DSELF applicant, the FED, has guaranteed their lease payment. This means that if the DSELF board does approve their loan, and the business fails, the DSELF will have difficulty getting reimbursed because the landlord has first priority position. Lantsberger shared that the Revolving Loan Fund will not approve loans to applicants with this agreement in their lease, but that the DSELF does not have an existing policy on the matter. A few options Steve presented were:



1. The applicant could be asked to go back to their landlord and ask to modify the lease agreement to allow DSELF to take priority before moving forward.
 2. The DSELF board could decide to go through the rest of the approval process, and then make the adjustment to the FED's lease agreement (to make DSELF the priority) a final condition to actually receiving the loan.
 3. Lantsberger also said that the DSELF board could still approve the loan/move forward with the lease agreement as is, but he wanted to make sure that the board understands the risk involved in doing so.
- Ultimately, Lantsberger stated that the DSELF board needs to make a policy decision regarding how to handle this situation and others like it that will likely arise in the future.
 - P. Palacios stated that she was sympathetic to the applicant's perspective, noting that most business owners likely seek their location first, before securing a DSELF loan. Doing things in that order means that applicants will likely have no knowledge of the fact that guaranteeing their leases could prevent them from obtaining a DSELF loan. P. Palacios stated she would like to see the options laid out so that they can make the best decision.
 - The decision was made to table the item until the next meeting, with the hope that with more of the board present, a more robust discussion could be conducted, thus yielding an optimal decision.
8. Items for Future Consideration
- A. Edwards mentioned that patronizing DSELF recipients should be something that the DSELF board makes a point of doing in the future.
 - C. Wood mentioned that Charles Stewart who had attended the last DSELF meeting (and also attended the November meeting) expressed potential interest in pursuing a DSELF loan. C. Wood wanted to bring it to the board's attention that the address at which Stewart is proposing to host his business falls one block outside of the newly approved DSELF boundary of the Downtown Stockton Alliance district. She wanted to ask about what the Board's policy might look like for instances like this. N. Snyder stated that the City makes exceptions to some of their programs that have specific boundaries by writing into the by-laws a policy of discretion. She suggested writing into the by-laws reasoning for why a business close to, but not directly in, the district, might receive a DSELF loan – with a focus on the idea that the business would still be serving the people/businesses of the Downtown. C. Wood said she will draft something to this effect to bring to the next meeting.
9. Adjourn
- A motion was made (A. Edwards/N. Snyder) to adjourn the meeting at 12:52 PM. The motion passed unanimously.



General Meeting Requirements:

Public Comments: The law provides the opportunity for the public to be heard on any item within the subject matter jurisdiction of the Board, before or during the consideration of that item by the Board. For all items, including items *not* on the agenda, the public comment time at the start of each meeting is appropriate. The person addressing the Board is limited to five (5) minutes unless the Chairman of the Board grants a longer period of time as appropriate to manage the Agenda. State law does not allow action to be taken on any item not on the Agenda. The Conference Room is handicapped accessible.

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Executive Director of the Downtown Stockton Alliance at 209-464-5246, during regular business hours, at least twenty-four hours prior to the time of the meeting.

Pursuant to the Brown Act as codified in Government Code Section 54957.5, any documents pertaining to a non-closed agenda item distributed to a majority of the Board of Directors in less than 72 hours before a Board meeting shall be available for public inspection. Said documents shall be available for inspection at the office of the Downtown Stockton Alliance, 125 Bridge Place, 3rd Floor, Stockton, California, Monday through Friday, except Holidays, between the hours of 8:30 a.m. and 4:30 p.m.