



Downtown Stockton Enterprise Loan Fund Meeting Minutes  
Friday July 12<sup>th</sup> 12:00 PM, at the offices of the Downtown Stockton Alliance  
125 Bridge Place 3<sup>rd</sup> Floor, Stockton CA

**Board of Directors Present:** Steve Lantsberger, Aaron Edwards, Patricia Palacios, Laurence Held, Robert Oakes

**Directors Absent:** Luis Duarte, Giovanni Trinchera

**Staff:** Mike Huber, Courtney Wood

### Agenda

1. Call to Order/Roll Call
  - Meeting was called to order at 12:08 PM
2. Public Comments
  - Jose Galvan, a recent DSELF applicant, spoke to the board about his prospective business for 116 N. Hunter Street. He plans for the business to be a restaurant serving American fare along with beer and wine. He mentioned how his relatives are the owners of Casa Flores, Cancun, and Tio Pepe's, so he is very familiar with the restaurant business. He recently applied to a few banks for a traditional loan and does not yet have a rejection letter. The DSELF board shared how the loan process would work, and asked a few questions regarding his business.
3. Approval of Financial Statements and Minutes – Action Item
  - C. Wood presented the financial statements from the first quarter of the year. She pointed out a double appearance of the amount \$2,099.51 on the DSELF account summary which Luis Duarte will reconcile in the next round of financials.
  - A motion was made by (R. Oakes/A. Edwards) to approve the financial statements. The motion was passed unanimously.
  - A motion was made by (A. Edwards/L. Held) to approve the minutes from the June 5th meeting. The motion was passed unanimously.
4. Loan Performance Updates/Loan Delinquencies/New Applications – Informational Item
  - C. Wood noted that Jose Galvan, who had presented at the beginning of the meeting, applied for the DSELF loan and that he had also submitted a check for the DSELF application fee. She noted that she would relay the new requirements of the DSELF after they board finalizes them at this meeting. S. Lantsberger mentioned that the county now accepts a “credit not otherwise available” statement in lieu of a bank rejection letter and suggested DSELF adopt the same criteria.
5. Application Fee Determination – Action Item
  - The board discussed what the application fee should be for DSELF moving forward. They asserted that the application fee would include a credit reporting fee, and it was also suggested that it be made clear on the application that the fee



is non-refundable. S. Lantsberger noted that the recipients should be made aware that there is a loan fee also automatically charged to any DSELF recipient. A motion was made by (A. Edwards/R. Oakes) to change the DSELF application fee to a non-refundable \$200. The motion was passed unanimously.

6. Pre - Qualification Checklist & Rubric Determination – Action Item
  - C. Wood stated that the “Pre-qualification checklist & rubric” stemmed from the board’s previous discussion. Discussion occurred regarding the pre-qualification checklist & rubric. It was mentioned that the modified DSELF application should replace the existing \$25 with the newly selected \$200. It was also mentioned that the loan amount should be changed. A motion was made by (A. Edwards/P. Palacios) to approve the Pre-Qualification Checklist & Rubric
7. Pre - “Approval” Checklist & Rubric Determination – Action Item
  - C. Wood shared that the “pre-‘approval’ checklist & rubric came from S. Lantsberger, and is what they use at the county’s RLF. On the checklist, it was noted that in section “1.1.R. – ‘copy of lender decline letter” should be changed to reflect S. Lantsberger’s earlier mention of “credit not otherwise available.” S. Lantsberger also noted that the final paragraph in section “2.1.C. Loan Application And Closing Process” should be streamlined so that there would fewer layers through which the loan would need to go to be approved. He said he would help to develop the appropriate language. A motion was made by (R. Oakes/A. Edwards) to approve the Pre-Approval Checklist & Rubric with the suggested edits. The motion was passed unanimously.
8. DSELF 2005 Business Plan & Loan Fund Criteria Updates and Amendments – Action Item
  - Discussion was made on the yellow highlighted sections of the DSELF Business Proposal and Loan Fund Criteria.
  - Several issues were discussed including:
    - the adjustment of the DSELF Board to consist of 5 members
    - the folding of the DSELF Loan Committee and the DSELF Board into a single entity
    - the changing of the designated loan area into the Downtown district only – S. Lantsberger suggested that a map of the area be brought to the next meeting
    - the removal or editing of outdated pieces of the business proposal/plan
    - the changing of the listed loan and application criteria to the newly approved checklists and criteria
    - the adjustment of the one-time loan fee to read “ 2% or \$1,000, whichever is greater”
    - the loan amount to be changed to \$25,000 - \$65,000
  - A motion was made by (A. Edwards/L. Held) to approve the aforementioned changes and to give staff the ability to make other changes as necessary. The motion was passed unanimously.



9. Decision of Meeting Frequency – Action Item
  - A brief discussion occurred regarding how often the board should meet. P. Palacios stated that it seemed necessary to meet monthly, since there were so many things needing to be modified or revised. A. Edwards suggested that the meetings be planned monthly, but if there was no new business or decisions needing to be made, that the meetings could be cancelled until new business arrived.
  - A motion was made by (P. Palacios/L. Held) to schedule recurring DSELF meetings for the 2<sup>nd</sup> Tuesday of every month at 12:00 PM in the DSA offices. The motion was passed unanimously.
10. Stockholder Agreement – Informational Item
  - C. Wood presented the stockholder agreement found in the old DSELF files and explained that there was no evidence of whether the stock had ever been issued, but that it seemed important to consider whether this would be something the DSELF board would want to do in the future. She also asked if anyone at the meeting had any other knowledge about the agreement. Discussion occurred on the item. P. Palacios asked that the item be stricken from the DSELF records.
11. DSELF Marketing Strategy Improvement – Discussion Item
  - C. Wood asserted that as the new application and program information are approved and the board will be wanting to solicit new applications, it is important to consider improvements to the marketing strategy of the program.
  - Discussion ensued as to who could help to market it. It was suggested that the DSA use social media, and that the board members help spread the word about the program. Additionally, it was suggested that banks be approached, although S. Lantsberger mentioned that he is usually the person to whom banks refer their denied loan applicants. S. Lantsberger also asserted that he did not have a problem with cross-promoting this program at the SBDC.
  - Other suggested means of marketing included the Chamber of Commerce, Visit Stockton, print brochures, and potentially an article in the Stockton Record or 209 Business Times.
12. DSELF Recipient Support Network – Discussion Item
  - C. Wood noted that in the DSELF Business Plan it is mentioned that each DSELF recipient will be assigned to an SBDC consultant who functions as a mentor for the recipient, and she inquired as to whether this is the case. If not, she mentioned that it may be helpful to somehow provide this type of support to entrepreneurs to help ensure their success. S. Lantsberger said he wasn't sure if this occurred with each recipient currently, but asserted that the SBDC does have consultants available. He suggested that it is best to just provide a list of recommended resources for the DSELF recipients, rather than require them to attend consulting meetings.
13. Items for Future Consideration



- Each of the Board members and staff members present introduced themselves and their organization.
14. Adjourn
- A motion was made by (A. Edwards/L. Held) to adjourn the meeting at 1:24 PM. The motion was 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, 3<sup>rd</sup> Floor, Stockton, California, Monday through Friday, except Holidays, between the hours of 8:30 a.m. and 4:30 p.m.