

**AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS
HUMBOLDT BAY DEVELOPMENT ASSOCIATION, INC.**

DATE: Thursday, September 22, 2016
TIME: 5:00 PM
PLACE: Woodley Island Marina Meeting Room

The Meeting Room is wheelchair accessible. Accommodations and access to Harbor District meetings for people with other handicaps must be requested of the Director of Administrative Services at 443-0801 at least 24 hours in advance of the meeting.

- 1. Call to Order Regular Meeting at 5:00 P.M. and Roll Call**
- 2. Pledge of Allegiance**
- 3. Public Comment**

Note: This portion of the Agenda allows the public to speak to the Board on the various issues not itemized on this Agenda. A member of the public may also request that a matter appearing on the Consent Calendar be pulled and discussed separately. Pursuant to the Brown Act, the Board may not take action on any item that does not appear on the Agenda. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Agenda. Each speaker is limited to speak for a period of three (3) minutes during the PUBLIC COMMENT portion of the Agenda regarding items of special interest to the public not appearing on the Agenda that are within the subject matter jurisdiction of the Board of Commissioners. The three (3) minute time limit may not be transferred to other speakers. The three (3) minute time limit for each speaker may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District. The three (3) minute time limit for each speaker may be enforced by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.

- 4. Consent Calendar**
 - a. Consideration of approval of minutes from the March 10, 2016 Regular Board Meeting.
 - b. Consideration of approval of minutes from the March 16, 2016 Special Combined Board Meeting with the Humboldt Bay Harbor, Recreation and Conservation District.
 - c. Consideration of approval of minutes from the May 12, 2016 Regular Board Meeting.
 - d. Consideration of approval of minutes from the June 23, 2016 Special Board Meeting.
 - e. Consideration of approval of minutes from the July 14, 2016 Regular Board Meeting.
- 5. Unfinished Business**
 - a. Construction update.
 - b. CDI interim use.
 - c. Discussion - signage and logo.
 - d. Grand Opening – October 14, 2016
- 6. New Business**
 - a. Consideration of Approval of July 31, 2016 and August 31, 2016 Financial Statements.
 - b. Discussion - Compliance Reports
 - c. Discussion - Solar Contractor – Power Purchase Agreement

- 7. Adjournment**

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**MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF DIRECTORS
HUMBOLDT BAY DEVELOPMENT ASSOCIATION**

March 10, 2016

PRESENT:

Larry Oetker
Richard Marks
Aaron Newman

ABSENT:

Patrick Higgins
Rhea Williamson

President Marks called the Special Meeting of the Board of Directors to order at 5:05 p.m.

President Marks led those present in the Pledge of Allegiance.

PUBLIC COMMENT: None

NEW BUSINESS

A. REPORT FROM EXECUTIVE DIRECTOR ON THE NEW MARKET TAX CREDITS TRANSACTION.

Executive Director reported the New Market Tax Credits transaction closed yesterday, March 9, 2016. In the last two months, 1,800 items were reviewed. BBVA Compass Bank wired \$1.56 million to HBDA's account at TriCounties Bank and then \$1.75 million was wired to JP Morgan Chase Bank.

Next Wednesday, March 16, the first draw will be prepared from the contractor's invoices. At this time, the transaction is \$57,000 over budget due to professional fees. In 2014, retainers were paid to Lowes Enterprises, Chase Bank and New Markets Community Capital (NMCC). In October 2015, the retainers from Chase and NMCC were refunded. The Disbursement Account contains \$3.4 million; \$200,000 is the Harbor District's management fees, which will be paid when the project is completed.

Next week, a special meeting will be held to obtain the Board's approval to establish the checking account and designate signers.

A Request for Proposals for a CPA to manage the New Market Tax Credits funds will be distributed.

Form 1023 is required for a non-profit designation; Eugene Cowan will prepare. It is not required as a part of the closing documents, but does contain information about the Board and the time to be spent on HBDA business.

Director Oetker asked about the CDI process once the improvements are completed and tenants are sought. Executive Director said the Harbor District is working on the CUP/CDP Interim use. Coastal Commission gave the task to the County to do the process. As soon as the County files, the Harbor District gets approved too. Executive Director is trying to attract the non-CDI tenants the District has lost over the years. Director Oetker asked about interest in the ALTA survey and the description of the property. The Interim Use CDI lifts the restrictions – he would like to review it on his own.

Executive Director said the next task is to keep the contractors on budget. Harbor District Maintenance Staff will need to do some of the work for preparation for the contractors.

The meeting was adjourned at 5:34 p.m.

APPROVED BY:

RECORDED BY:

Richard Marks, President for
Patrick Higgins, Secretary

Patricia Tyson, Director of Admin. Services
Humboldt Bay Harbor District

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**MINUTES (Subject to Approval)
SPECIAL COMBINED MEETING OF THE
BOARD OF COMMISSIONERS OF THE HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT
AND THE
BOARD OF DIRECTORS OF THE HUMBOLDT BAY DEVELOPMENT ASSOCIATION, INC.
March 16, 2016**

HUMBOLDT BAY HARBOR RECREATION AND CONSERVATION DISTRICT:

PRESENT:

Commissioner Doss
Commissioner Higgins
Commissioner Wilson

ABSENT:

Commissioner Dale
Commissioner Marks

HUMBOLDT BAY DEVELOPMENT ASSOCIATION, INC:

PRESENT:

Larry Oetker
Aaron Newman
Patrick Higgins

ABSENT:

Rhea Williamson
Richard Marks

President Higgins/Secretary Higgins called the meeting to order for both agencies at 12:25 p.m.

Aaron Newman led those present in the Pledge of Allegiance.

PUBLIC COMMENT: None

NEW BUSINESS

A. CONSIDERATION BY THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT AND THE HUMBOLDT BAY DEVELOPMENT ASSOCIATION, INC. TO AUTHORIZE EXECUTIVE DIRECTOR TO OPEN BANK ACCOUNTS AT BBVA COMPASS BANK AND DESIGNATE ACCOUNT SIGNERS.

COMMISSIONER DOSS MOVED TO AUTHORIZE EXECUTIVE DIRECTOR TO OPEN BANK ACCOUNTS AT BBVA COMPASS BANK AND DESIGNATE ALL CURRENT COMMISSIONERS, EXECUTIVE DIRECTOR, DISTRICT TREASURER AND DIRECTOR OF ADMINISTRATIVE SERVICES AS ACCOUNT SIGNERS. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

DIRECTOR OETKER MOVED TO AUTHORIZE EXECUTIVE DIRECTOR TO OPEN BANK ACCOUNTS AT BBVA COMPASS BANK AND DESIGNATE ALL CURRENT DIRECTORS AND EXECUTIVE DIRECTOR AS ACCOUNT SIGNERS. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION BY THE HUMBOLDT BAY DEVELOPMENT ASSOCIATION, INC. TO ADOPT RESOLUTION 2016-01, DESIGNATING BUSINESS MATTERS, APPOINTMENT AND AUTHORIZATION FOR THE HUMBOLDT BAY DEVELOPMENT ASSOCIATION, INC. FOR THE CALENDAR YEAR 2016.

District Counsel recommending removing Director of Administrative Services as a designated account signer as she is not an employee of the Humboldt Bay Development Association, Inc.

DIRECTOR HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2016-01, DESIGNATING BUSINESS MATTERS, APPOINTMENT AND AUTHORIZATION FOR THE HUMBOLDT BAY

Minutes (Subject to Approval)
Special Combined Meeting of the
Board of Commissioners of the
Humboldt Bay Harbor, Recreation and Conservation District
And the Board of Directors of the
Humboldt Bay Development Association, Inc.
March 10, 2016
Page 2 of 2

DEVELOPMENT ASSOCIATION, INC. FOR THE CALENDAR YEAR AND TO INCLUDE COUNSEL'S
RECOMMENDATION. DIRECTOR NEWMAN SECONDED. ROLL CALL VOTE WAS TAKEN:

DIRECTOR WILLIAMSON – ABSENT
DIRECTOR OETKER – AYE
DIRECTOR MARKS – ABSENT
DIRECTOR NEWMAN – AYE
DIRECTOR HIGGINS – AYE

MOTION CARRIED WITHOUT DISSENT.

The meeting was adjourned at 12:35 p.m.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT:

APPROVED BY:

RECORDED BY:

Patrick Higgins, President for
Greg Dale, Secretary

Patricia Tyson, Director of Admin. Services

HUMBOLDT BAY DEVELOPMENT ASSOCIATION, INC.

APPROVED BY:

RECORDED BY:

Patrick Higgins, Secretary

Patricia Tyson, Director of Admin. Services
Humboldt Bay Harbor District

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**MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF DIRECTORS
HUMBOLDT BAY DEVELOPMENT ASSOCIATION**

May 12, 2016

PRESENT:

Larry Oetker
Richard Marks
Patrick Higgins

ABSENT:

Rhea Williamson
Aaron Newman

President Marks called the Special Meeting of the Board of Directors to order at 5:00 p.m.

President Marks led those present in the Pledge of Allegiance.

PUBLIC COMMENT: None

COMMENT CALENDAR

DIRECTOR HIGGINS MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR. DIRECTOR OETKER SECONDED. MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS

A. CONSIDERATION OF ADOPTION OF CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF HUMBOLDT BAY DEVELOPMENT ASSOCIATION, INC.

Director Oetker said the amendment gives the Humboldt Bay Development Association, Inc. the opportunity to expand the whole bay area, not limited to Redwood Terminal 2. Director Higgins said it is good to have that flexibility.

DIRECTOR OETKER MOVED FOR THE ADOPTION OF CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF HUMBOLDT BAY DEVELOPMENT ASSOCIATION, INC. DIRECTOR HIGGINS SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF APPROVAL OF LEASE WITH PACIFIC FLAKE.

Tim Petruscha reported Pacific Flake is currently in Bodega Bay and produces artisan sea salt. Humboldt Bay has good water quality for their product.

DIRECTOR HIGGINS MOVED FOR THE APPROVAL OF LEASE WITH PACIFIC FLAKE. DIRECTOR OETKER SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. DISCUSSION OF COASTAL DEPENDENT INDUSTRIAL – INTERIM USE

Executive Director reported the County Planning Commission will discuss this item on June 14.

Tim Petruscha said he spoke at the Chamber of Commerce Business and Industry Group. There is concern the Board of Supervisors will vote down the interim use when so many are doing it illegally. The Business and Industry Group would like someone to come speak favorably about the interim use at their next meeting.

Director Marks said it is a good opportunity to educate the community.

Director Higgins said there seems to be dissatisfaction by the Board of Supervisors with the Planning Commission. There has been stalling issues and highly inefficient workings by the Planning Commission. It is time for them to give the Harbor District consideration.

Director Marks said the County has been working with the Coastal Commission. Be careful not to get something counterproductive from what the Staff is doing with the Coastal Commission.

Director Higgins said the County received a \$10,000 grant from the Coastal Commission to deal with this issue because so many are out of compliance.

Director Oetker said Harbor District staff should meet with the Coastal Commission and County staff. Don't lose the momentum. When does the local Coastal Commission staff think this will get to the full Commission for their review? If it takes over one year, we are wasting our time. If we are all on the same page, it may work quickly. The overarching problem is to get all in agreement with the local Coastal Commission staff and go to the full Commission. Attorneys take over and throw out the addendum prior to the meeting. If we are going to get piggy-backed on the LCP amendment it will take 3-4 years. Advocate to change the ordinance a little and then work with the Coastal Commission staff; the Board of Supervisors will then most likely approve.

Executive Director said all are not on solid ground; we need to get all on the same page. A little over a year ago we thought we could know out this interim use; need a more streamlined process for tenants.

Director Marks said he is worried about the damage suffered. The Coastal Commission is going to ask why the Planning Commission denied it, even if the Board of Supervisors approves.

Director Higgins said the Harbor District and Development Association should be able to tell the Coastal Commission we cleaned up 3 million gallons of toxic substance stifling the growth in Humboldt County.

Director Oetker said a tour of the facility could be given to the Coastal Commission when they meet next in Humboldt County or send 2-3 people to their meeting in Southern California – the opposition probably will not attend that meeting.

Executive Director suggested to pull together a staff meeting, come to consensus and then go to the next Coastal Commission meeting.

Director Oetker said the core issue is the Planning staff throughout Humboldt County don't understand the coastal laws; education is a problem.

Tim Petruscha said the message needs to be broadcast that we are not advocating removing the CDI zoning, just subsidizing until CDI Dependent companies want to locate here.

The meeting was adjourned at 5:57 p.m.

APPROVED BY:

RECORDED BY:

Richard Marks, President for
Patrick Higgins, Secretary

Patricia Tyson, Director of Admin. Services
Humboldt Bay Harbor District

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**MINUTES (Subject to Approval)
SPECIAL MEETING OF THE BOARD OF DIRECTORS
HUMBOLDT BAY DEVELOPMENT ASSOCIATION**

June 23, 2016

PRESENT:

Larry Oetker
Aaron Newman
Richard Marks
Patrick Higgins

ABSENT:

Rhea Williamson

President Marks called the Special Meeting of the Board of Directors to order at 5:01 p.m.

President Marks led those present in the Pledge of Allegiance.

PUBLIC COMMENT: None

COMMENT CALENDAR: None

UNFINISHED BUSINESS

A. CONSTRUCTION UPDATE

Executive Director said there has been more rot found than anticipated, resulting in a small amount of change orders. Also a small amount for engineering the added doorways has been added. Done with the "dangerous" part – no more change orders. The old shed was removed since there was no value and it was an added cost to the contractor to build around it. Mark Brown of Redwood Electrical Services has done a high quality job and is currently pulling wire through the conduit. Will Adams of ACGC has been on site every day. 35 pallets of roofing rolls has been delivered – the roofer will start next week. PG&E will set the transformer once the 60kV is shut down to put in the new circuit breakers, probably in November. There has been a lot of attention from potential tenants; 3 right now are serious.

It is expected during the 2nd or 3rd week of August there will be an official unveiling and a thank you to EPA for the cleanup. Tim Petrusha is taking a lot of pictures; saving money from paying for an ongoing inspection.

Director Marks asked when the logo would be attached to the building. Director Oetker asked if there was a name for the facility.

Director Oetker asked about a construction audit. Executive Director said the financials were due at the end of March. Proformas were done and the budget needs to be developed.

B. CDI INTERIM USE – BOARD OF SUPERVISORS – JULY 5, 2016.

Director Marks, Commissioner Wilson, Gary Rynearson from Green Diamond Lumber Company will attend the meeting. Supervisor Bohn has said the County needs to fix the CDI in the General Plan, but would support the CDI interim use. Rezoning the property to Commercial Industrial would be the most useful.

Director Higgins said Supervisor Sundberg wants to be on the Coastal Commission; he needs to be centered on CDI and Eelgrass.

Director Oetker said the Supervisors do not want more studies; they need to take action.

Director Marks suggested better public relations so that the message is out to the community. Director Oetker said the message really needs to get to the Coastal Commission. He offered to draft a letter.

NEW BUSINESS

A. CONSIDERATION OF APPOINTMENT OF LEROY ZERLANG TO FILL VACANT BOARD POSITION.

DIRECTOR NEWMAN MOVED TO APPROVE THE APPOINTMENT OF LEROY ZERLANG TO FILL THE VACANT BOARD POSITION. DIRECTOR HIGGINS SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF HIRING SUZANNE DOCKAL, DOCKAL & ASSOCIATES, AS THE ACCOUNTANT.

DIRECTOR HIGGINS MOVED FOR THE APPROVAL OF HIRING SUZANNE DOCKAL, DOCKAL & ASSOCIATES, AS THE ACCOUNTANT. DIRECTOR NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

The meeting was adjourned at 5:45 p.m.

APPROVED BY:

RECORDED BY:

Patrick Higgins, Secretary

Patricia Tyson, Director of Admin. Services
Humboldt Bay Harbor District

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**MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF DIRECTORS
HUMBOLDT BAY DEVELOPMENT ASSOCIATION**

July 14, 2016

PRESENT:

Leroy Zerlang
Larry Oetker
Aaron Newman
Richard Marks
Patrick Higgins

President Marks called the Special Meeting of the Board of Directors to order at 5:04 p.m.

Director Higgins led those present in the Pledge of Allegiance.

PUBLIC COMMENT: None

COMMENT CALENDAR: None

UNFINISHED BUSINESS

A. CONSTRUCTION UPDATE

Alan Bobillot, Director of Operations and Facilities Maintenance for the Humboldt Bay Harbor District reported all the doors are up at Redwood Terminal 2. Part of the siding and roofing is done. Harbor District Maintenance Staff is doing some minor repairs. The electrical is 90% complete – waiting for transformer from PG&E to be installed.

Executive Director said PG&E will set the transformer, fire up Redwood Terminal 2 with a 12kV system in order to shut down the 60kV system and complete the replacing of the rest of the circuit breakers and switches. The system needs to keep running in order to protect the transformer.

Director Marks stated the media needs to be invited for a press conference. This is a refurbished property using local workers being paid prevailing wage.

Director Oetker said the refurbishing is going better than expected. Seeing people working – this is a huge asset. Publicity at the right time will be beneficial.

Mr. Bobillot stated last week on one day there were approximately 78 people working at prevailing wage jobs.

Director Higgins said signage at the property should highlight the partnerships.

Executive Director said staff is looking at a Homeland Security grant to put in new perimeter fencing; it would require a match. Depending if there is funds left over at the end of the project, will determine if the Development Association or Harbor District will pay the match.

B. CDI INTERIM USE – NEXT MEETING.

The next meeting to discuss CDI-Interim Use will be held on July 19, 2016 in the County Board of Supervisors Chambers.

Executive Director said there was a good show of people at the last meeting. He suggested pictures, visuals, poster boards showing assets, replacement value, maintenance and cost might be helpful for the discussion.

Director Higgins said there is a misconception in the community of “ship or not to ship”. It is divisive to forego options; if pursue economic diversity as a community, we need to get to “yes” as a community.

Executive Director said supporters need to attend the Planning Commission meetings. Redwood Terminal 2 is a "cannabis free" zone due to the bank and loan requirements; but it is a prime location. The misnomer is that interim use is available to public use property only; also available to private use.

Director Oetker said it is not easy to start a business in Humboldt County. Finding leasable space is expensive; competing with the marijuana industry. We will not be able to bring new businesses in and keep the current with the rise in square footage costs. We have no idea what jobs there will be in the future; if put zoning so rigid, we are telling people we do not want them. We have to treat everyone equally from a zoning standpoint and encourage people to improve their property.

Director Zerlang said there will be a little fight; not against the idea, but against the Harbor District.

Director Oetker said he could not find a program on the Coastal Commission website to support Coastal Dependent Industrial zoning.

Director Higgins said if we cannot get the support of the interim use, we will not be able to pay for the maintenance of the infrastructure.

NEW BUSINESS

A. CONSIDERATION OF APPROVAL OF CONTRACT WITH SUZANNE DOCKAL, DOCKAL & ASSOCIATES, AS THE ACCOUNTANT.

DIRECTOR HIGGINS MOVED FOR THE APPROVAL OF CONTRACT WITH SUZANNE DOCKAL, DOCKAL & ASSOCIATES, AS THE ACCOUNTANT. DIRECTOR NEWMAN SECONDED.

Ms. Dockal said she has a lot of experience and background with non-profits, construction background, and is a licensed CPA. Non-profits give other opportunities that government agencies cannot. She stated she does not have E&O insurance because she does not practice publicly and does not give out public opinions/audits. She has budget experience and construction accounting experience, as well as grant writing.

MOTION CARRIED WITHOUT DISSENT.

B. PRESENTATION OF THE MARCH 31, 2016 FINANCIAL STATEMENTS BY SUZANNE DOCKAL.

Ms. Dockal presented the March 31, 2016 financial statements to the Board.

DIRECTOR HIGGINS MOVED TO ACCEPT THE MARCH 31, 2016 FINANCIAL STATEMENTS. DIRECTOR NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

The meeting was adjourned at 5:54 p.m.

APPROVED BY:

RECORDED BY:

Patrick Higgins, Secretary

Patricia Tyson, Director of Admin. Services
Humboldt Bay Harbor District

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September 6, 2016

TO: Jack Crider, HBDA
HBDA Board of Directors
FROM: Suzanne Dockal, Dockal & Associates *Sud*

UPDATE ON FINANCIAL STATEMENTS

Attached are HBDA's current financial statements. They include all activity through July 31, 2016. The balance sheet includes contractor's payable as invoices were submitted by the end of July, but the draw was not processed until August. Once draw #5 is processed in August, 90% of the construction funds will have been drawn down.

The profit and loss presents both July 2016, as well as the year to date ending 7/31/16. The continuing loss on these statements is from the amortization expense. The amortization period is seven years, beginning in March 2016, so five months of "expense" are now included in the year to date P&L. There was no construction interest due in July, with the next payments coming due in early Sept.

All of the bank accounts are reconciled through July 31, 2016, and reconciliations are available for review if you want to see them. Just let me know.

UPDATE ON DRAWS/ NEW MARKET REQUIREMENTS

All required certifications and the 6/30/16 financial statements were submitted to TELACU, by the due date of 8/15/16. We are still waiting for a revised reporting schedule from TELACU which corrects some of the annual reporting due dates for the Community Benefits Report from August 2016 (based on incorrect year end of June 30) to Feb 2017 (based on 12/31 year end). These reports have also been forwarded to Chase for their files.

Draw #5 was submitted to Chase on July 28, 2016 and brings total requested funds to 90%. All contractors were paid out by mid-August, and all Unconditional releases have been obtained for all payments through draw #5. We will be processing the next draw in September.

I had to be gone the last two weeks of August so I have not had time to fully review the credit agreement although I was able to get a signed copy of the agreement with all of the various requirements for reporting data for Community Benefits. This will be a considerable undertaking to insure that all of the required data is collected timely from the tenants of the Harbor District as master lessee of HBDA industrial park.

In addition to the Community Benefits report requirements and data collection process, it will also be necessary for HBDA (Board) to retain an auditor and tax return preparer for the year ending 12/31/16. This is something that needs to be discussed as the year-end will soon be here and this is a major compliance item for the Chase loans and the New Market tax credits.

Humboldt Bay Development Association, Inc.
Balance Sheet
 As of July 31, 2016

	<u>Jul 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
BBVA Compass (HBDA operating)	896.72
Cash in Fee Reserve	413,685.60
Chase Constr Disb (ending 2331)	1,267,327.86
Total Checking/Savings	<u>1,681,910.18</u>
Total Current Assets	1,681,910.18
Fixed Assets	
Construction In Progress	
Hard Costs	
12 kV Connection	69,018.63
Door Replacement	243,680.80
Electrical Power Supply	632,673.00
NatGas/WaterSupply/Restroom Exp	157,576.00
Roof Repairs	755,000.00
Siding & Window Replacement	883,086.00
Hard Costs - Other	565,000.00
Total Hard Costs	<u>3,306,034.43</u>
Soft Costs	
Capitalized Construction Int	67,575.95
HBHRCD Mgmt Fee	99,999.99
Intangible Assets	
Advisory Fee	345,924.00
Financing Cost	424,039.80
Intangible Assets Amortization	-45,831.15
Total Intangible Assets	<u>724,132.65</u>
Total Soft Costs	<u>891,708.59</u>
Total Construction In Progress	<u>4,197,743.02</u>
Total Fixed Assets	4,197,743.02
Other Assets	
Prepaid Lease	3,906,000.00
Total Other Assets	<u>3,906,000.00</u>
TOTAL ASSETS	<u><u>9,785,653.20</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Contractors Payable	752,278.36
Total Accounts Payable	<u>752,278.36</u>
Total Current Liabilities	752,278.36
Long Term Liabilities	
Notes Payable	
CNMCSUB-CDE69,LLC	1,750,000.00
New Markets Community Cap	6,930,000.00
Total Notes Payable	<u>8,680,000.00</u>
Total Long Term Liabilities	8,680,000.00
Total Liabilities	9,432,278.36

3:17 PM

09/06/16

Accrual Basis

Humboldt Bay Development Association, Inc.

Balance Sheet

As of July 31, 2016

	<u>Jul 31, 16</u>
Equity	
Gov't Contribution Revenue	399,057.00
Net Income	<u>-45,682.16</u>
Total Equity	<u>353,374.84</u>
TOTAL LIABILITIES & EQUITY	<u>9,785,653.20</u>

3:15 PM

09/06/16

Accrual Basis

Humboldt Bay Development Association, Inc.

Profit & Loss

July 2016

	<u>Jul 16</u>	<u>Jan - Jul 16</u>
Ordinary Income/Expense		
Expense		
Bank Charges/Fees	18.40	103.28
NMTC Transaction Cost		
Amortization - Advisory Fees	4,118.14	20,590.70
Amortization - Financing Costs	5,048.09	25,240.45
Total NMTC Transaction Cost	<u>9,166.23</u>	<u>45,831.15</u>
Total Expense	<u>9,184.63</u>	<u>45,934.43</u>
Net Ordinary Income	-9,184.63	-45,934.43
Other Income/Expense		
Other Income		
Interest Income	52.57	252.27
Total Other Income	<u>52.57</u>	<u>252.27</u>
Net Other Income	52.57	252.27
Net Income	<u><u>-9,132.06</u></u>	<u><u>-45,682.16</u></u>

September 16, 2016

TO: Jack Crider, HBDA
HBDA Board of Directors
FROM: Suzanne Dockal, Dockal & Associates

UPDATE ON FINANCIAL STATEMENTS

Attached are HBDA's current financial statements. They include all activity through August 31, 2016. The balance sheet includes draw #5 which was processed in August. As of 8/31/16, 90% of the construction funds have been drawn down.

The profit and loss statement presents August 2016, as well as the 2 months ending 8/31/2016. Initially the books were set up with a 12/31 year end, but after review of the 501c (3) exemption notice and the by-laws, the year-end is June 30th. So that's why the year to date is for two month 7/1/16-8/31/16.

All of the bank accounts are reconciled through August 31, 2016, and reconciliations are available for review if you want to see them. Just let me know.

UPDATE ON DRAWS/ NEW MARKET REQUIREMENTS

Now that we have determined that the fiscal year ends June 30th, there are a number of reports that are currently due, or coming due in the next 4-6weeks. This includes both draft and audited financial statements and the tax returns for both HBDA as well as the Harbor District; an operating budget; the Community Benefits report and some insurance reporting requirements.

I put together a list of all of the reports and HBDA is requesting an extension from TELACU until 12/15/16 to meet all of the requirements. This does however necessitate the rather immediate engagement of an auditor for the period ending 6/30/16, as well as the preparation of the non-profit tax return, Form 990.

Draw #6 will be submitted to Chase on Sept 16 or 17th which will bring total requested funds to 96% of the project budget.

The Community Benefits Report was reviewed by Jack & I and he is beginning the data collection process needed to complete this report.

11:35 AM

Humboldt Bay Development Association, Inc.

09/16/16

Balance Sheet

Accrual Basis

As of August 31, 2016

	Aug 31, 16
ASSETS	
Current Assets	
Checking/Savings	
BBVA Compass (HBDA operating)	870.31
Cash in Fee Reserve	413,738.18
Chase Constr Disb (ending 2331)	515,049.50
Total Checking/Savings	929,657.99
Total Current Assets	929,657.99
Fixed Assets	
Construction In Progress	
Hard Costs	
12 kV Connection	69,018.63
Door Replacement	243,680.80
Electrical Power Supply	632,673.00
NatGas/WaterSupply/Restroom Exp	157,576.00
Roof Repairs	755,000.00
Siding & Window Replacement	883,086.00
Hard Costs - Other	565,000.00
Total Hard Costs	3,306,034.43
Soft Costs	
Capitalized Construction Int	67,575.95
HBHRCD Mgmt Fee	99,999.99
Intangible Assets	
Advisory Fee	345,924.00
Financing Cost	424,039.80
Intangible Assets Amortization	-54,997.38
Total Intangible Assets	714,966.42
Total Soft Costs	882,542.36
Total Construction In Progress	4,188,576.79
Total Fixed Assets	4,188,576.79
Other Assets	
Prepaid Lease	3,906,000.00
Total Other Assets	3,906,000.00
TOTAL ASSETS	9,024,234.78
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Notes Payable	
CNMCSUB-CDE69,LLC	1,750,000.00
New Markets Community Cap	6,930,000.00
Total Notes Payable	8,680,000.00
Total Long Term Liabilities	8,680,000.00
Total Liabilities	8,680,000.00
Equity	
Gov't Contribution Revenue	399,057.00
Retained Earnings	-36,550.10
Net Income	-18,272.12
Total Equity	344,234.78
TOTAL LIABILITIES & EQUITY	9,024,234.78

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Accrual Basis

Humboldt Bay Development Association, Inc.

Profit & Loss

August 2016

	<u>Aug 16</u>	<u>Jul - Aug 16</u>
Ordinary Income/Expense		
Expense		
NMTC Transaction Cost		
Amortization - Advisory Fees	4,118.14	8,236.28
Amortization - Financing Costs	5,048.09	10,096.18
Total NMTC Transaction Cost	<u>9,166.23</u>	<u>18,332.46</u>
Total Expense	<u>9,166.23</u>	<u>18,332.46</u>
Net Ordinary Income	-9,166.23	-18,332.46
Other Income/Expense		
Other Income		
Interest Income	52.58	105.15
Total Other Income	<u>52.58</u>	<u>105.15</u>
Other Expense		
Bank Charges/Fees	26.41	44.81
Total Other Expense	<u>26.41</u>	<u>44.81</u>
Net Other Income	<u>26.17</u>	<u>60.34</u>
Net Income	<u><u>-9,140.06</u></u>	<u><u>-18,272.12</u></u>