



ANNUAL REPORT

2023

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aedc.org

707 K Street, Eureka, CA 95501



Ross Welch,
Executive
Director

AEDC has been operating at full capacity since the start of COVID. Even as we completed our first year "out of the pandemic," we faced various challenges, including earthquakes, flooding from atmospheric rivers, wind damage, and fires. While the term "resilient" may be overused, it accurately describes our region.

AEDC has remained dedicated to our mission of providing loans and support to entrepreneurial and innovative businesses and community endeavors within our service area, which includes Humboldt, Del Norte, Lake, Mendocino, Trinity, and Siskiyou Counties.

For years, one main focus of AEDC has been improving outreach to underserved audiences. In our recent strategic plan approved last fiscal year, the primary goal was to enhance services to underserved communities, considering AEDC's geographic and demographic scope.

In activities and training, AEDC has actively engaged in discussions about lending justice and geographic equity, particularly through the Redwood Region RISE program, centered on economic equity.

In this year alone, we have seen significant movement towards this goal, including making more loans outside of the Humboldt Bay Area, and loans to businesses owned by entrepreneurs who are Black, Indigenous or People of Color (BIPOC). In FY 23, nearly 34% of our loans were made to clients outside of the Humboldt Bay area of our service region. Also, 22% of our clients last year were from the BIPOC community, which closely aligns with the demographic ratio in our region. This is a good start and we have some projects in the next year that will help strengthen these commitments even more.

Our dedicated staff has consistently worked at or beyond capacity, and our impact continues to expand. Even after over 15 years at AEDC, I am still inspired to look for those opportunities to make a difference.

Ross Welch



Not only was the audit finding-free, but the auditor asked to share some of our policies with other EDCs. Good policies and a conscientious director create a fertile environment for growth.

Michael Proulx,
Treasurer



Over the past decade AEDC has been building on our strengths to create a fiscally stable and growing organization that is really making an impact on economic growth in our region. Our ability to do that comes from having an innovative leader and staff who have been adaptable, creative and willing to look for opportunities for growth. This kind of long-term success starts by having solid operational processes. I am happy to report that we have gone for well over a decade with no audit findings, through three finance directors: Teri, Deborah and now Tracy.

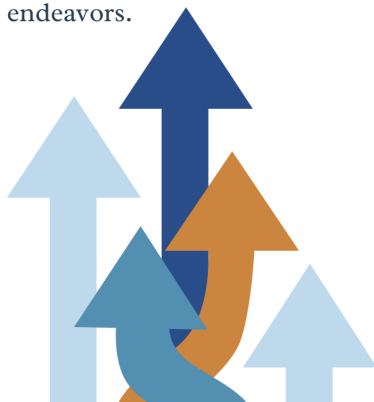
The FY23 audit was Tracy's first, on her own. To make it even more challenging, we have more grant income than ever before creating new circumstances where audit findings could be more likely. Not only was the audit finding-free, but the auditor asked to share some of our policies with other EDCs. Good policies and a conscientious director create a fertile environment for growth.

Our revenue has been increasing steadily over the past three years. Funding from government agencies and grant contributions play a large part in this. With programs like Redwood Region

RISE and the Child Care Stabilization Fund using the County's American Rescue Plan Act, we have seen a consistent increase in those two line items with a total \$1,209,705 increase since 2011.

We can't discount that the lending team is continuing to demonstrate increasing numbers for their work. We've continued to see increases in our interest and 504 servicing fees. For those two line items, we have increased about \$17,000 over the previous year.

This brings us to another year with an increase in net assets by \$1,240,131 since FY22. Celebrating a significant increase in net assets, we are inspired to continue our mission of driving regional economic growth. Our achievements underscore a commitment to sustainability and community prosperity, setting a solid foundation for future endeavors.



AEDC PROGRAM HIGHLIGHTS

In 2023, AEDC was at the forefront of driving significant economic and community development within Humboldt County. With a steadfast commitment to fostering growth, resilience, and innovation, AEDC has successfully launched and managed several key programs that have made a substantial impact on our community.

These initiatives, ranging from supporting the child care industry to cultivating regional leadership and promoting sustainable economic recovery, highlight AEDC's versatile approach to meeting the diverse needs of our region.

As we reflect on the year's accomplishments, we are proud to present three flagship programs that demonstrate our commitment to empowering our community and economic development: the Humboldt Child Care Stabilization Fund, Leadership Redwood Coast, and Redwood Region RISE.

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GROWTH



RESILIENCE



INNOVATION



HUMBOLDT CHILD CARE STABILIZATION FUND

In 2023, we made significant strides in supporting the child care industry in Humboldt County through the Humboldt Child Care Stabilization Fund. In collaboration with the County of Humboldt, in partnership with Changing Tides Family Services, First 5 Humboldt, and the Humboldt County Office of Education Local Child Care Planning Council, AEDC introduced three programs in 2023: Employee & Facility Retention Bonuses, Facility Improvement Forgivable Loans, and Hiring Bonuses.

Employee & Facility Retention Bonuses



In FY23, AEDC distributed \$656,890 for this program. Acknowledging the high turnover rate in the child care industry, particularly during the COVID-19 pandemic, the Child Care Retention Bonus program was a vital initiative. It aimed to reduce turnover by offering financial incentives to both facility owners and employees. This approach not only bolstered the morale of child care professionals but also ensured continuity and stability in child care services.

Facility Improvement Forgivable Loans



Understanding the need for enhanced facilities, the Facility Improvement Loan Guarantee program offered a significant opportunity for child care providers.

By repaying SBA loans up to \$10,000 upon completion of approved projects, this program facilitated improvements in efficiency, safety, and learning environments. It also enabled providers to cater to younger children, expanding their service range.

Hiring Bonuses



In FY23, \$8,000 was distributed for hiring bonuses. To address the shortage of certified child care professionals, especially in rural areas, the Child Care Hiring Bonus was introduced in 2023. This incentive aimed to boost the availability of quality child care regionally.

These programs showcased AEDC's commitment to strengthening the child care infrastructure's vital role in Humboldt County's economy and society. They offered immediate relief and set the foundation for a resilient child care system.

AEDC worked in partnership with Humboldt County Office of Education who was offering similar bonuses to state preschool providers. This partnership allows a seamless application experience for providers, whether they worked for a state funded program or a non-state funded child care, as well as leveraging funds to provide more hiring support.



Learn more at humboldtchildcare.org

LEADERSHIP REDWOOD COAST



First launched in March of 2023, Leadership Redwood Coast (LRC) is a five-month program centered on empowering 25 diverse individuals throughout Humboldt, Del Norte, and adjacent Tribal Lands with the tools, connections, and insights they need to effect equitable and innovative change in their communities and across the region. This was a program of AEDC in partnership with Illuminated Marketing and the Greater Eureka Chamber of Commerce.

Throughout the five months, LRC cohort members met with 70+ experts across the region to explore complex topics such as economic development, agriculture and food sustainability, education and workforce development, criminal and restorative justice, offshore wind and port development, forestry and land management, the future of cannabis, health care, housing, and more.

They traveled across Humboldt and Del Norte Counties and adjacent Tribal Lands, to expand their understanding of the issues and opportunities ahead for the North Coast, enhancing their leadership skills, and growing their networks. The cohort ended their time together with a graduation in July, celebrating the beginning of a collaborative future.

LRC has since moved over to the Greater Eureka Chamber's new Redwood Coast Chamber Foundation, which is currently in its selection process for 2024's cohort. With a commitment to fostering inclusive and effective leadership, LRC stands as a catalyst for positive change and collaboration across the North Coast.



Learn more at
leadershiprc.org

REDWOOD REGION RISE

In 2023, Redwood Region RISE emerged as a transformative force in Del Norte, Humboldt, Lake, Mendocino Counties, and Tribal Lands as part of California's Jobs First initiative. With 750+ members, this regional coalition focused on sustainable and equitable economic recovery post-COVID-19 through a \$600 million statewide effort.

AEDC serves as the Fiscal Agent for the project, ensuring effective project coordination and financial oversight. California Center for Rural Policy at Cal Poly is the Convener for the project, providing a road map on how to move into a functional collaboration that reflects the data-supported needs of our area. North Coast Opportunities, in Mendocino, serves as the Outreach and Engagement Coordinators, bringing priority voices to the economic development table that are not always included. The strategy prioritized diverse community voices, fostering collaboration, robust regional relationships, and cataloging projects aligned with the initiative's goals.

California Jobs First had two phases: Planning, where regional collaboratives developed economic plans, and Implementation, funding projects aligned with climate goals, labor standards, and economic sustainability.

Redwood Region RISE prioritizes diverse community voices, fostering collaboration, robust regional relationships and cataloging projects aligned with the initiatives goals.



750+ Members



**\$600M Statewide Effort/
\$5M Regional Effort**



**Climate-
Aligned Projects**

Redwood Region RISE prioritizes diverse community voices, fostering collaboration...



Learn more at
ccrp.humboldt.edu/redwood-rise

BRIDGING GAPS IN NORTHERN CALIFORNIA: AEDC'S COMMITMENT TO RURAL COMMUNITIES



AEDC is committed to fostering economic growth and supporting rural businesses in areas known as food deserts. This commitment is shown through the revitalization of two key businesses this year: the Salyer Store and the Salmon River Outpost, both located in the Six Rivers National Forest.

The Salyer Store's new chapter began when Nick and Elizabeth Wilde, motivated by the closure of a vital natural food store in Willow

Creek, stepped up to maintain local ownership of the recently closed Salyer Store. This way they could cater to local's needs for both daily essentials and access to healthier food options.

"It was a crunch with multiple banks," Nick revealed, pointing out the difficulties of securing funding due to his lack of retail experience and the store's rural location. Their breakthrough came when a suggestion from their real estate agent led them to explore non-traditional loan options.



Nick Wilde in front of the Salyer Store

This brought them to AEDC. Once they discovered that AEDC offered support to rural communities, it was, “a beacon of light. Like, wow, maybe this could work now,” said Nick. AEDC’s guidance in business planning and funding was crucial, giving the Wildes the opportunity to transform the store into a community hub for organic and locally sourced products, and involving the local youth in employment and training opportunities through initiatives like Dream Quest.

Nearly 50 miles up the Trinity River, the Salmon River Outpost in Siskiyou County is now under the new ownership of Elly of the Karuk tribe, and Joe O’Rourke of the Yurok Tribe. The outpost’s beginning dates back to the mid-1800s and is now one of the only stores within Somes Bar offering fresh, organic food to community members.

AEDC stepped in to be the primary lender, directing \$375,000 into the project. They were joined by The Alliance, the Yurok Tribe’s Community Development Financial Institution, which offered a \$50,000 loan to the O’Rourkes.

With another significant contribution coming from a partnership initiative between the Affiliated Tribes of Northwest Indians Economic Development Corporation and the Karuk Tribe, the couple was provided with an additional \$250,000—placing the O’Rourke’s dreams for a revitalized outpost well within reach.

This combined effort between multiple lenders simplified the financial process for the O’Rourkes and showed a united effort to keep the Outpost and its cultural legacy alive. “We’re glad to be the first Native owners of an original outpost,” Elly O’Rourke said to Underscore News, highlighting the significance of their role in the community.

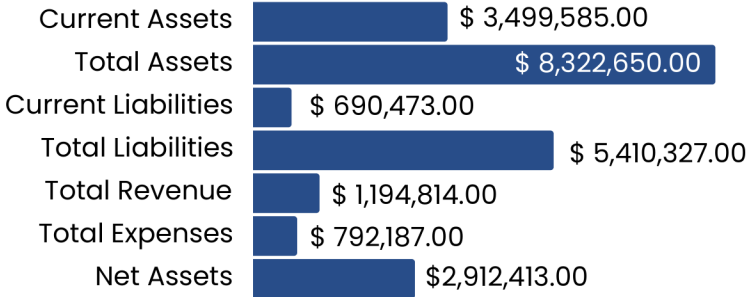
Both stores, revitalized by their new owners with the help of AEDC and its partners, now stand as community hubs providing essential services in their areas, ensuring that residents have access to healthier and organic food options in their own backyard.



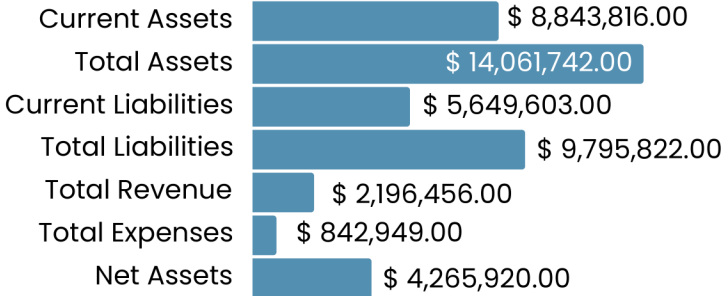
Elly and Joe outside of the Salmon River Outpost

FISCAL UPDATE

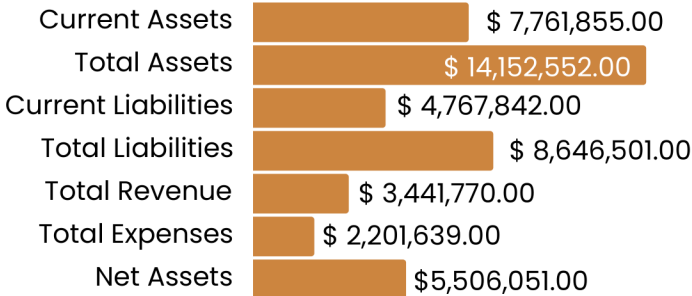
FY 21



FY 22

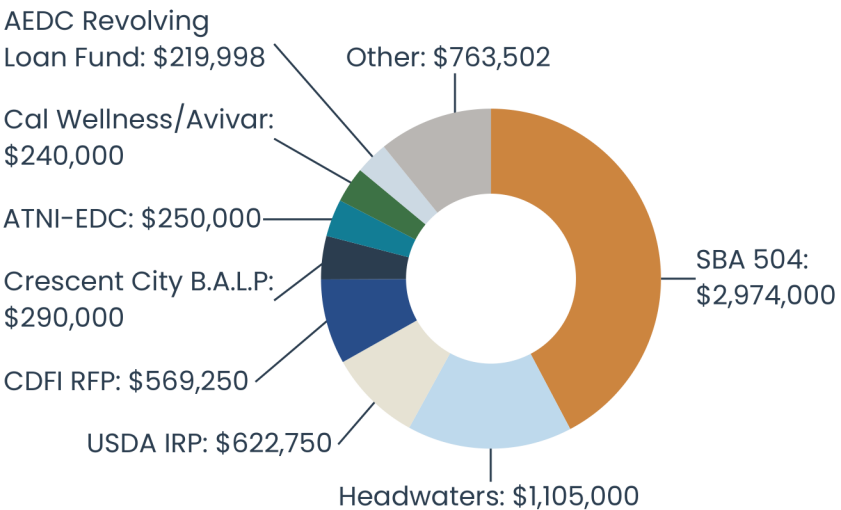
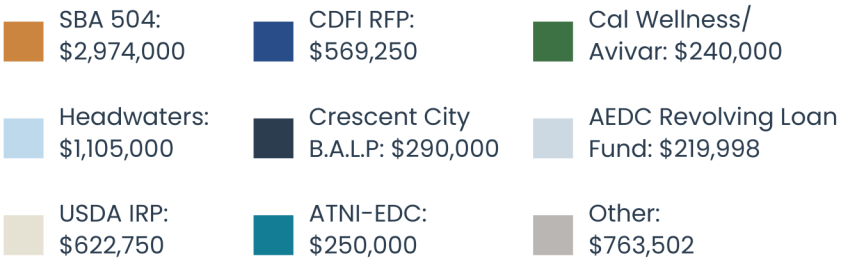


FY 23



LOANS

	Number of Loans	Total
SBA 504	3	\$ 2,974,000
Headwaters	8	\$ 1,105,000
USDA IRP	4	\$ 622,750
CDFI RFP	4	\$ 569,250
Crescent City B.A.L.P	4	\$ 290,000
ATNI-EDC	1	\$ 250,000
Cal Wellness/Avivar	3	\$ 240,000
AEDC Revolving Loan Fund	11	\$ 219,998
SBA Microloan	19	\$ 159,998
CFC	1	\$ 175,000
EDA	2	\$ 148,000
USDA RMAP	7	\$ 230,504
Yurok EDC	1	\$ 50,000
OVERALL TOTAL	68	\$ 7,034,500



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Arcata Economic
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