



# The Headwaters Fund

INVESTING IN OUR COMMUNITY

Annual Report 2009-2010

# Fund Structure

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*The Mission of the Headwaters Fund is to Improve the Economy of Humboldt County*

## Revolving Loan Fund

Provides gap financing to businesses unable to obtain traditional financing

## Community Investment Fund

Grants and loans for infrastructure projects that result in permanent, tangible benefits to the community

## Grant Fund

Grants for projects benefiting base and target industries in Humboldt County



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# Financials

Fund	Beginning (2002)	As of 6/30/10
Revolving Loan Fund	8,000,000	8,780,173
Community Investment Fund	5,000,000	2,999,326
Liquidity Fund	5,404,065	6,000,889
Grant Fund	0	146,766
Grant Initiative Fund (allocated)	0	639,462
Loan Reserve Accounts	0	480,000
<b>Totals</b>	<b>\$18,404,065</b>	<b>\$19,046,616</b>



# Summary of Activity 2003-2010

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Revolving Loan Fund Amount Loaned	\$ 4,732,201
Community Investment Fund Amount Loaned	\$ 3,863,000
Community Investment Fund Amount Granted	\$ 2,071,962
Grant Funds Awarded	\$ 2,059,360
<b>Total Grants and Loans</b>	<b>\$12,726,523</b>
<b>Total Additional Funds Leveraged</b>	<b>\$30,953,873</b>



# Fund Productivity 2003-2010

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- Since 2002 the fund has grown overall by over \$640,000
- During that same time period, almost \$13 million has been dispersed in the community in grants and loans
- That \$13 million in Headwaters Funds leveraged over \$30 million in other funding for economic development projects



# Revolving Loan Fund

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Headwaters contracts with two lending partners to underwrite loans to local businesses. In 2009-10 there were:

- \$296,350 in loans through AEDC
- No loans through RREDC
- 4 businesses were assisted, retaining 38 jobs and adding 27

There are two Headwaters Fund loans made in prior years which are in default. Repayment of both of these loans is currently being worked out by the contractors.



# Revolving Loan Fund

A 2009 \$178,850 loan from Headwaters helped Robert Goodman to remodel a building in Arcata to expand winery production and create a public tasting room.

*“Our goal for the tasting room is to share excellent wine in an enjoyable and friendly atmosphere. For the local industry, we think the addition of our tasting room will create a greater awareness of the variety of fine wines being produced in Humboldt County.” - Robert Goodman, Owner, Robert Goodman Wines*



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# Community Investment Fund

In 2009-10 the following awards were made:

- \$50,000 grant to the Mid-Klamath Watershed Council to purchase the Panamnik Building in Orleans and convert it into a community development center



## Community Investment Fund - continued

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- \$300,000 grant to St. Joseph's Hospital to purchase telemedicine equipment for the new Northeast Tower
- \$195,833 grant to the Humboldt Bay Recreation and Conservation District for a pre-Marine Life Protection Act economic study to analyze the economic and social impacts of potential protected areas
- \$75,000 grant to the City of Eureka to submit applications for stimulus funding for broadband redundancy



# Community Investment Fund - continued

“Telecommunications technology has dramatically ‘reduced’ the distance between patients in remote locations and medical experts in underserved specialties. Over the last few years, not only has the quality of telemedical connections improved but also its capability. Beyond the ability of emergency physicians to practice medicine in our new, state-of-the-art Northeast Tower, having immediate access to every medical specialist imaginable will allow us to provide a level of medical care never before seen in our region. Furthermore, the opportunity for our own physicians to discuss and plan treatments of highly complex, often life-threatening, diseases with recognized authorities at leading academic centers will allow St. Joseph Hospital to provide world class care right here at home.”

-Dr. Scott Sageman, CMO



# Grant Fund

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In 2009-10, the Headwaters Fund Board allocated \$200,000 for grant fund awards. Grants were made in five priority areas:

Providing Workforce Training

Increasing the Number of New Businesses

Developing Infrastructure

Leveraging Outside Funding

Retaining and Growing Existing Businesses



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# Grant Fund- Providing Workforce Training

- \$50,000 to Fortuna High School to purchase computers for a web based Digital Arts and Technology training center



## *Quotes from students in the first year of the program:*

*"This is a career opportunity that can be found nowhere else in the county, it is what I am going to do for a living and the reason I love coming to school."*

*"I go home and teach my mom what I learn in class, she bought the software, we now work for a graphic design company in San Francisco. We just got our first paycheck, thank you."*



# Grant Fund- Increasing the Number of New Businesses

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- \$15,531 to the UC Cooperative Extension to develop agriculture, nature and heritage tourism opportunities with local landowners and tribes

- \$16,347 to the Mattole Restoration Council for technical assistance to support launching innovative forest-based enterprises



*Unique barns such as this local privately owned one, are being considered for their agricultural and historic tourism potential.*



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# Grant Fund- Developing Infrastructure

- \$50,281 to Garberville Town Square to build infrastructure for a permanent town square in the central business district



*“The new Garberville Town Square is central to our business development plan. We are planning a million dollar expansion that will include our customers accessing the square as an outdoor eating area and social gathering point for the community.”*

*Rio Anderson, Co-Owner, Chautauqua Natural Foods*



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# Grant Fund- Leveraging Outside Funding

- \$24,870 to the Northcoast Regional Land Trust for an Oak Woodlands Conservation plan which will allow local landowners to access state restoration and conservation funding



*“Chalk Mountain Ranch is actively pursuing oak reclamation. These grants help to keep employees working, wildlife happy, and save true oak ecosystems from ever-encroaching Douglas-fir. Oak grants ease the burden of good stewardship for landowners.” -Les Barnwell, Landowner, Chalk Mountain Ranch*



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# Grant Fund- Retaining and Growing Existing Businesses

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- \$1,000 mini-grant to Arcata Main Street for a facilitated board retreat for organizational planning
- \$5,000 mini-grant to the Harbor District to print a local water trails map in the 2010 issue of “101 Things to Do” travel magazine
- \$2,000 mini-grant to the Women Entrepreneurs Institute for an annual networking and training conference
- \$800 mini-grant to Plan It Green for a local business self-reliance conference



# Highlights of Grant Projects 09-10

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- **Permit Streamlining** - \$20,000 grant contributed to the creation of a portal to allow the public to monitor the status of their County building permits. Since the launch in September, there have been 544 visitor log ins. This grant is completed.
- **Simulation Center** - \$146,000 grant for a training center for medical professionals using robotic patients taught 337 CR students, 124 HSU students, and 51 Mad River employees in 09-10. This grant also leveraged a recently awarded \$250,000 Robert Wood Johnson grant to expand the center.
- **National Highway Access** - \$50,000 grant which provided funds for lobbying to secure \$3 million in federal funds for Highway 299 improvements. This grant is completed.



# Highlights of Grant Projects 09-10 – MLPA Grant

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A Headwaters Community Investment Fund grant award of \$195,833 to the Harbor District provided for socio-economic data which allowed our region to develop a unified recommendation for the Marine Life Protection Act with minimal negative economic impacts.

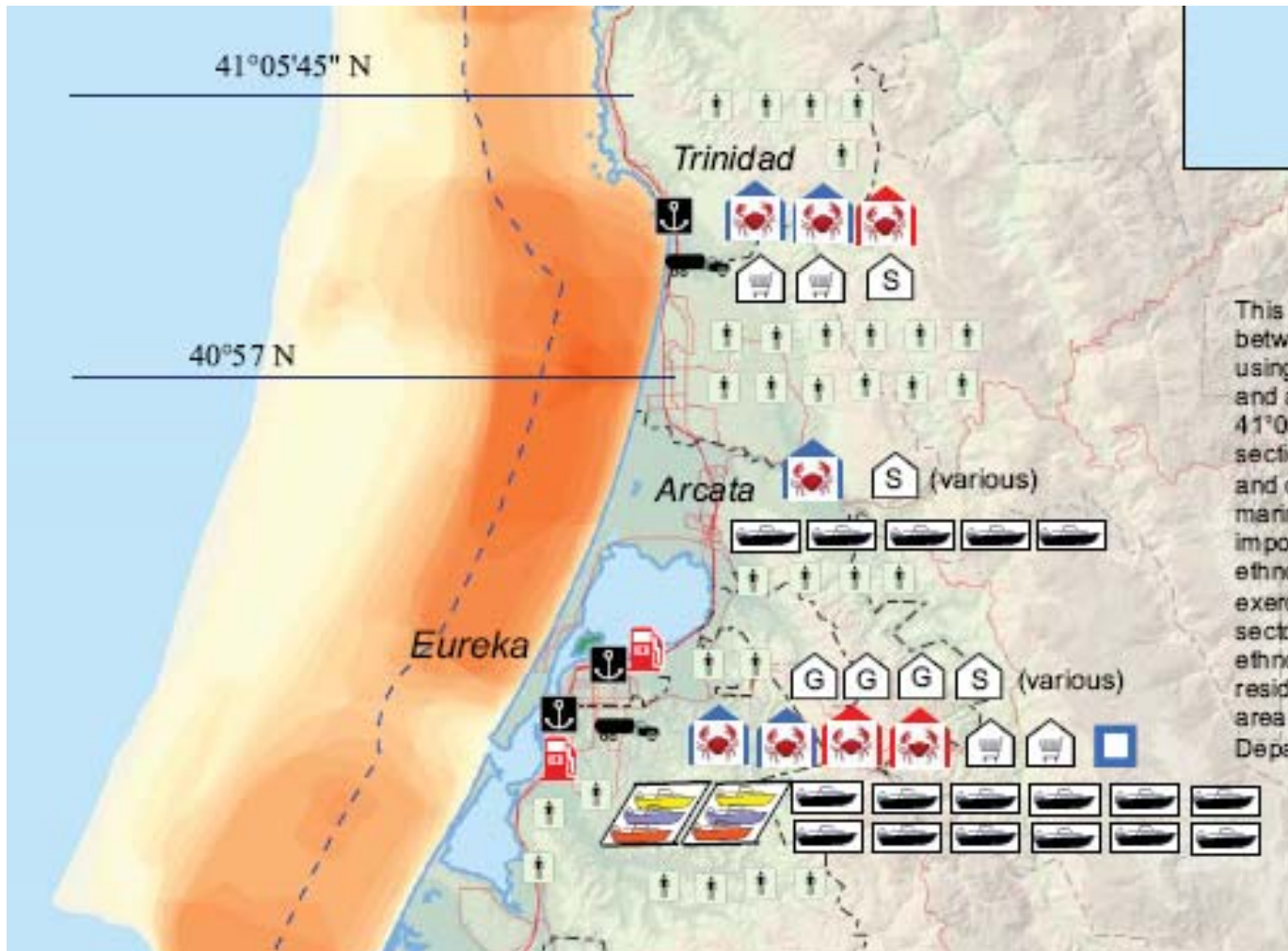
The study provided information on:

- The density of fishing dependent businesses on the north coast
- The relative low density use of our waters for fishing compared to other regions in the state
- The weather related restrictions on fishing on a month by month basis in our region compared to others

This data will have long term use in informing potential regulation on the north coast fishing industry and has already been used to make a successful argument for a longer regional rock fish season.



# Commercial Crabbing Areas and Supporting Businesses



# Grant Initiative – 20/20, A Decade of Difference

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This year, a ten year, \$1.5 million commitment was made to the Humboldt County Office of Education for the Decade of Difference. This is a community driven education initiative to prepare youth for higher education, work and life.

Strategic efforts will be focused on: kindergarten readiness, early literacy, middle and high school intervention, financial literacy, college and career readiness, youth entrepreneurship, workforce preparation, professional development and parental and community engagement.

The goal is to work together to build a culture where youth, parents, schools, businesses and the community are collaboratively engaged in opportunities that will improve the standard of living on the Redwood Coast of California.



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# Headwaters Fund Board

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The Headwaters Fund is governed by a seven member community board which makes recommendations to your Board.

Three founding board members are leaving the Headwaters Fund Board this month:

Alex Stillman – Chair  
Kathy Moxon  
Jon Sapper

We would like to thank you for this opportunity to have served our community for the past eight years.



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