

VERMONT ECONOMIC DEVELOPMENT AUTHORITY  
LOAN COMMITTEE

Minutes

September 13, 2019

A telephonic meeting of the Vermont Economic Development Authority's Loan Committee originated at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on September 13, 2019 beginning at 9:03 a.m. Those Members of the Committee present via phone were: T. Gallagher, Chair; D. Kurzman; L. Graves; R. Shippee; S. Voigt; B. Pearce; E. Delhagen (designee for J. Tierney) and A. Eastman (designee for A. Tebbetts). Staff present in VEDA's Offices were: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Porter, Director of Commercial Lending; C. Blais, Commercial Credit Analyst; M. Wheeler, Senior Commercial Loan Assistant and C. Brown, Office/Facilities Manager. Staff present via phone were: Senior Commercial Loan Officers S. Croft and M. Dussault. Those Committee Members present constituted a quorum.

Due to a conflict of interest by T. Gallagher with the loan to be presented in this meeting, D. Kurzman chaired the meeting.

Minutes of August 9, 2019

On a motion by L. Graves, seconded by R. Shippee, the minutes for the August 9, 2019 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 7 to 0 with the Chair abstaining.

New Committee Member – T. Foster

D. Kurzman noted T. Foster has been appointed to the VEDA Loan Committee.

Congress & Main LLC – St. Albans – Subchapter 5 – Downtown Revitalization – \$1,500,000

M. Dussault explained Congress & Main LLC (C&M) of St. Albans is requesting a \$1,500,000 Subchapter 5 loan. The loan will be secured by a mortgage on project land and buildings to be owned by C&M located in St. Albans, Vermont, a mortgage on other land and buildings currently owned by C&M located in St. Albans, Vermont, a security interest in all business assets, general assignment of all permits, plans and specs related to the ongoing development of the project property and property currently owned by C&M in St. Albans,

Vermont, including, but not limited to, the construction contract, collateral assignment of all rents and leases on the project property and property currently owned by C&M located in St. Albans, Vermont, the unconditional corporate guarantee of Titan Properties, LLC (a newly formed LLC for the purposes of owning interest in C&M), personal guaranty of Grant Butterfield (the sole member of Titan Properties, LLC) and a collateral assignment of the Performance Reserve Account.

On a motion by L. Graves, seconded by A. Eastman, the above loan request was approved by those Members of the Committee present by a vote of 5 to 0 with the Chair, T. Gallagher and E. Delhagen abstaining.

After thoroughly reviewing the loan request, VEDA staff has made the following determinations per 10 V.S.A. § 262:

- (1) The project is within the scope of this chapter and will increase or maintain employment and expand the economy of the State;
- (2) The project plans comply with all applicable environmental, zoning, planning, and sanitary laws and regulations of the municipality where it is to be located and of the State of Vermont;
- (3) The making of the loan will be of public use and benefit;
- (4) The proposed loan will be adequately secured by a mortgage on real property or equipment, or both;
- (5) The principal obligation of the Authority's mortgage does not exceed \$1,500,000.00 which may be secured by land and buildings or by machinery and equipment, or both; unless an integral element of the project consists of the generation of heat or electricity employing biomass, geothermal, methane, solar, or wind energy resources to be primarily consumed at the project, in which case the principal obligation of the Authority's mortgage does not exceed \$2,000,000.00, which may be secured by land and by buildings, or machinery and equipment, or both; such principal obligation does not exceed 40 percent of the cost of the project; and the mortgagor is able to obtain financing for the balance of the cost of the project from other sources as provided in the following section;
- (6) The mortgagor is responsible and able to manage its responsibilities as mortgagor and owner of the project;
- (7) The mortgage has a satisfactory maturity date, in no case later than 20 years from the date of the mortgage;
- (8) The mortgagor is unable to finance the project upon reasonable terms without the assistance of the requested loan from the Authority, or in the alternative, the granting of the loan will serve as a substantial inducement for the establishment or expansion of an eligible project within the State;
- (9) The mortgagor has made adequate provision for insurance protection of the project while the loan is outstanding; and
- (10) The loan will be without unreasonable risk of loss to the Authority. Such findings when adopted by the Authority shall be conclusive.

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There being no other business to properly come before the Committee, on a motion by A. Eastman, seconded by S. Voigt, the meeting adjourned at 9:10 a.m.

ATTEST:

Vermont Economic Development Authority

By: \_\_\_\_\_  
Cassandra F. Polhemus, Chief Executive Officer

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