

VERMONT ECONOMIC DEVELOPMENT AUTHORITY
LOAN COMMITTEE

Minutes

November 15, 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 November 15, 2019 beginning at 9:00 a.m. Those Members of the Committee present via phone were: T. Gallagher, Chair; S. Voigt; L. Graves; E. Delhagen (designee for J. Tierney); D. Kurzman; T. Foster; R. Shippee; B. Pearce; A. Eastman (designee for A. Tebbetts) and M. Tuttle. Staff present in VEDA's Offices were: P. Samson, Chief Lending Officer; T. Porter, Director of Commercial Lending; E. Denny, Senior Commercial Loan Officer and K. Kilpatrick, Administrative Assistant. Staff present via phone were: C. Polhemus, Chief Executive Officer. Those Committee Members present constituted a quorum.

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On a motion by L. Graves, seconded by M. Tuttle, the minutes for the September 13, 2019 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 9 to 0 with the Chair abstaining.

Northeast Kingdom Development Corporation (Yellow Barn Business Accelerator) – Hardwick – Subchapter 3 – \$2,152,162

E. Denny explained Northeast Kingdom Development Corporation (NEKDC) (Yellow Barn Business Accelerator) of Hardwick is requesting a \$2,152,162 Subchapter 3 loan. The loan will be secured by a mortgage shared with the U.S. Economic Development Administration grant and a collateral assignment of the lease agreement between the town of Hardwick and NEKDC.

After discussion regarding grants, operating management, contingencies and project efficiencies, on a motion by A. Eastman, seconded by L. Graves, the above loan request was approved by those Members of the Committee present by a vote of 9 to 0 with the Chair abstaining.

After thoroughly reviewing the loan request and proposed project, VEDA staff has made the following determinations per 10 V.S.A. § 232:

(1) The project is within the scope of this chapter, will be of public use and benefit, and may reasonably be expected to create new employment opportunities;

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(2) The proposed site for the speculative building or small business incubator facilities will be located on adequate land owned or to be acquired by the local development corporation or leased by the local development corporation on terms satisfactory to the authority;

(3) An adequate access road from a public highway is provided to the proposed site and that such utilities as water, sewer, and power facilities are available, or will be available when the speculative building or small business incubator facilities is completed;

(4) 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;

(5) The local development corporation is responsible and has presented evidence to demonstrate its ability to carry out the project as planned;

(6) Evidence has been presented demonstrating the feasibility of the site as a location for business, and additional evidence has been presented that an adequate supply of labor is available within the labor market area to serve a business located on the site or in the small business incubator facility;

(7) The local development corporation has made adequate provisions for insurance protection of the building while it is unoccupied and suitable arrangements have been made for fire protection and maintenance while it is unoccupied;

(8) The project will be without unreasonable risk of loss to the authority; and

(9) The local development corporation is unable to secure on reasonable terms the funds required for the project without the assistance of the authority, or in the alternative, the making of the loan will serve as a substantial inducement for the establishment or expansion of a speculative building or small business incubator.

There being no other business to properly come before the Committee, on a motion by L. Graves, seconded by B. Pearce, the meeting adjourned at 9:25 a.m.

ATTEST:

Vermont Economic Development Authority

By: _____
Cassandra F. Polhemus, Chief Executive Officer