

VERMONT ECONOMIC DEVELOPMENT AUTHORITY  
LOAN COMMITTEE

Minutes

April 16, 2021

A video conferencing meeting of the Vermont Economic Development Authority's Loan Committee convened on April 16, 2021 beginning at 9:03 a.m. Those Committee Members present via video conferencing were: T. Gallagher, Chair; E. Delhagen (designee for J. Tierney); M. Tuttle; R. Shippee; S. Voigt and T. Foster. Staff present in VEDA's Offices were: A. Wright, Executive Assistant. Staff present via video conferencing were: C. Polhemus, Chief Executive Officer; R. Grzankowski, Chief Operations Office; T. Porter, Director of Commercial Lending; and E. Denny, Senior Commercial Loan Officer. A. Eastman, Member (designee for A. Tebbetts), joined the meeting later. Those Committee Members present constituted a quorum.

Minutes of March 12, 2021

On a motion by S. Voigt, seconded by M. Tuttle, the minutes for the March 12, 2021 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 5 to 0 with the Chair abstaining.

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

E. Denny explained Northeast Kingdom Development Corporation of Hardwick is requesting a \$2,152,162 Subchapter 3 loan re-approval. The original loan was approved in November 2019 with a commitment that expired November 18, 2020. The project was delayed predominantly due to the pandemic. The Subchapter 3 loan re-approval is requested for modifications to the original construction budget and funding sources with VEDA's loan amount and terms unchanged.

A. Eastman joined the meeting at 9:08 a.m.

The loan will be secured by a first mortgage, grant and collateral assignment of the lease agreement between the Town of Hardwick and the NEKDC.

VEDA Loan Committee Minutes – April 16, 2021

After discussion regarding increased construction hard costs, risks and anchor tenants, on a motion by E. Delhagen, seconded by T. Foster, the loan was approved by those Members of the Committee present by a vote of 6 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;
- (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.

M. Tuttle inquired if there is any update on broadband. C. Polhemus indicated no further changes on the original VEDA loan program in the legislature, likely in anticipation of learning more about federal allocations.

T. Foster inquired about the maple sugar season. A. Eastman indicated it appears to be location dependent, although most have seen a half to two-third with low sugar content. Price has increased by \$12 per barrel from last year.

VEDA Loan Committee Minutes – April 16, 2021

There being no other business to properly come before the Committee, on a motion by M. Tuttle, seconded by S. Voigt the meeting adjourned at 9:26 a.m.

ATTEST:

Vermont Economic Development Authority

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