

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

August 27, 2021

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on August 27, 2021 beginning at 9:33 a.m. Members of the Authority present via video conferencing were: T. Gallagher, Chair; T. Foster; M. Tuttle; B. Pearce; S. Voigt; L. Graves; D. Kittell; E. Delhagen (designee for J. Tierney); D. Kurzman; T. Collier and R. Shippee. Staff present in VEDA's Montpelier office: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; R. Grzankowski, Chief Operations Officer and A. Wright, Executive Assistant and Office Manager. Staff present via video conferencing were: T. Richardson, Chief Financial Officer; C. Houchens, Chief Risk and Resource Officer; T. Porter, Director of Commercial Lending; P. Fitzgerald, Director of Loan Resolution; Senior Loan Officers: A. Wood and J. Conklin; Loan Officers: M. Corbett and E. Paradee and K. Kilpatrick, Administrative Assistant. Member J. Goldstein (designee for L. Kurrle), E. Denny, Senior Loan Officer and J. Shackman, Senior Commercial Credit Analyst joined the meeting later via video conference. Those Members present constituted a quorum.

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On a motion by T. Collier, seconded by E. Delhagen, the minutes for the July 30, 2021 meeting were approved by those Members of the Authority present by a vote of 9 to 0 with the Chair and D. Kurzman abstaining.

Member Area Review

E. Delhagen thanked staff for bringing E. McNamara, Director of Regulated Utility Planning Division at the Vermont Department of Public Service and L. Seddon, founder of L.W. Seddon, LLC, a renewable energy services firm, to the July Board Meeting. He explained the Department of Public Service is currently updating their Comprehensive Energy Plan. He noted statute requires this plan be updated every six years and asked Members and staff to share comments on aspects of the plan via a link on the Department of Public Service's website.

CEO's Report

C. Polhemus began her report noting the Strategic Planning Meeting is currently slated to be held at Burke Mountain Resort in late September. She explained several Members had reached out to her regarding their comfort in attending an in-person gathering – noting the majority of Members feel the need to move to a more conservative stance due to the Delta variant of COVID. C. Polhemus explained the agenda would lend itself to being held as a remote meeting. The agenda would include a revisit of the Strategic Plan and a deeper look at the original SWAT Analysis as well as having Members participate in small group breakout sessions. She continued, noting a virtual meeting is not the same as meeting in person and offered to postpone the meeting to a later date.

Discussion ensued regarding virtual and in-person meetings. T. Gallagher observed meeting virtually does not create the same type of energy and creativity but questioned whether mask wearing and socially distancing would impede progress at an in-person meeting. He also noted it is preferable to have Members participate virtually rather than be uncomfortable attending physically or not attending at all. After further discussion, C. Polhemus stated the Strategic Planning Session will be held remotely on September 23, 2021.

Next, C. Polhemus explained the Annual Meeting, scheduled for October 29, 2021, is also of concern for in-person gathering. She noted the Annual Meeting is not conducive to a virtual/remote format as it is a great opportunity to network over a meal. She stated she is hesitant to postpone this meeting two years in a row and is considering pushing the event into January 2022 in the hopes COVID will be less present at that time. B. Pearce remarked postponing the event could prove to be beneficial as many people, by that time, may have received a COVID vaccine booster, thus making invitees more inclined to attend.

C. Polhemus continued her report noting the Staff Summer Picnic at Silver Lake in Barnard was a success. She next noted the pipeline contained several interesting projects. L. Graves inquired about a Clean Water State Revolving Fund project on the pipeline. T. Porter described the specifics of the loan structure. T. Foster requested additional information on a recently approved solar project for an ag borrower.

C. Polhemus then presented the Members with information regarding VEDA's IT Security. She explained this overview was based on questions posed at the July Board Meeting – a more in-dept presentation would be provided later this year.

Lastly, C. Polhemus discussed Horizon Dairy pulling out of the Northeast area. She explained two organic dairies in the VACC portfolio currently sell their product to Horizon

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Dairy. She noted S. Isham has been invited to join a task force to address what the state can do to help those organic dairy farms effected by losing this sales channel. P. Samson noted Horizon Dairy did provide a one-year notice – the dairy will stop accepting milk in September 2022.

C. Polhemus presented the Approvals and Closings Report.

At 9:56 a.m. J. Goldstein entered the meeting.

At 9:57 a.m. P. Fitzgerald disconnected for the remainder of the day.

Board Financial Summary

T. Richardson presented his financial report for the first month of the fiscal year, explaining Net Operating Income before fair value adjustment for investments through July 31, 2021 of \$353.0 thousand was favorable to budget by \$172.9 thousand. Net Interest Income of \$685.2 thousand was favorable to budget by \$24.7 thousand. Other Income of \$32.4 thousand was unfavorable to budget by \$12.4 thousand.

Credit Quality Report

P. Samson provided the Members with a review of the Credit Quality Report.

Commercial Loan Review Report

C. Houchens presented the Members with the Commercial Loan Review Report. She noted the review was relatively clean and followed the revised loan review program approved by the Members at the July Board Meeting. She explained the five findings found were considered to be low risk and further noted all the findings were either cleared or in the process of being cleared. Discussion ensued regarding borrowers' delays in providing financial reports to VEDA. T. Porter explained most of the delayed financial reports were due to extensions on filing tax returns.

On a motion by M. Tuttle, seconded by T. Foster, the Commercial Loan Review Report was approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

Wake Robin Corporation – Shelburne – Subchapter 4 Final Approval – \$65,000,000

T. Porter explained Wake Robin Corporation of Shelburne is requesting final approval of a \$65,000,000 Subchapter 4 revenue bond program. The bonds will be tax-exempt and taxable and not subject to the state bond cap. They will refund previously issued VEDA bonds.

After discussion regarding staffing, strength of management, and changes to loan covenants, on a motion by S. Voigt, seconded by L. Graves, the following resolution was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair and B. Pearce abstaining.

Resolution

A Resolution Authorizing the Issuance and Sale of up to \$65,000,000 of Vermont Economic Development Authority Mortgage Revenue Bonds, Wake Robin Corporation Project, Series 2021A, Series 2021C (Federally Taxable) (collectively, the “Series 2021 Bonds”) and Series 2022B (the “Series 2022 Bonds” and together with the Series 2021 Bonds, the “Bonds”), Approving the Forms of Sixth Supplemental Agreement (the “Series 2021 Agreement”) among the Vermont Economic Development Authority (the “Authority”), Wake Robin Corporation, a Vermont corporation (the “Borrower”), and U.S. Bank National Association, as Trustee (the “Trustee”), and Seventh Supplemental Agreement among the Authority, the Borrower and the Trustee (the “Series 2022 Agreement” and together with the Series 2021 Agreement, the “Agreements”), and other Matters.

BE IT RESOLVED BY THE VERMONT ECONOMIC DEVELOPMENT

AUTHORITY AS FOLLOWS:

1. Based upon the information and documentation submitted to the Authority relating to the proposed financing and refinancing for the benefit of the Borrower of a project consisting of (A) the refunding of the Authority’s Mortgage Revenue Bonds, Wake Robin Corporation Project, Series 2017B, which (i) refinanced (a) the construction and equipping of 37 independent living units and 18 skilled nursing units, comprising an aggregate of approximately 84,300 square feet, associated with the Borrower’s continuing care retirement community at 200 Wake Robin Drive, Shelburne, Vermont 05482 (the “Project Site”); (b) the construction, acquisition, improvement, equipping and development of 175 independent living units, a Health Care Center consisting of 30 skilled nursing units and 35 residential care units, and a Community Center at the Project Site; and (c) additional routine capital expenditures incurred by the Borrower associated with its senior living operations at the Project Site; (ii) financed the construction and

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equipping of 38 independent living apartment homes, 10 residential care units and 6 skilled nursing units and other renovations in and to the health care center and improvements to the Community Center at the Project Site, all comprising an aggregate of approximately 94,177 square feet; and (iii) funded a debt service reserve fund and certain costs of issuance for such Series 2017B Bonds; (B) the refunding of the Authority's Mortgage Revenue Bonds, Wake Robin Corporation Project, Series 2014, which (i) refinanced additional capital costs of the construction, equipping and renovation of 37 independent living units and 18 skilled nursing units, comprising approximately 84,300 square feet, associated with the Borrower's continuing care retirement community at the Project Site; and (ii) funded certain costs of issuance for such Series 2014 Bonds; (C) the refunding of the Authority's Mortgage Revenue Bonds, Wake Robin Corporation Project, Series 2012, which (i) refinanced capital costs associated with the original acquisition, improvement and development of the Borrower's continuing care retirement community at the Project Site, including (a) the original acquisition, improvement and development of the Project Site, (b) the original construction and equipping of 175 independent living units, a health care center consisting of 30 skilled nursing units and 35 residential care units and a Community Center at the Project Site, and (c) certain other routine capital expenditures at the Project Site; and (ii) funded certain costs of issuance for such Series 2012 Bonds; and (D) the funding of a termination payment with respect to an interest rate hedge contract constituting a "qualified hedge" for federal tax law purposes with respect to the above-referenced Series 2014 Bonds and of certain costs of issuance and other common costs associated with the 2021 Bonds, at the Project Site located in the Town of Shelburne, Vermont (such projects being refinanced are collectively referred to herein as the "Project"), including the proposed form of Series 2021 Agreement among the Authority on behalf of the State of Vermont (the "State"), the Borrower and the Trustee dated as of October 1, 2021, the proposed form of Series 2022 Agreement among the Authority on behalf of the State, the Borrower and the Trustee dated as of January 1, 2022, a draft Preliminary Official Statement relating to the issuance of the Series 2021 Bonds (the "Series 2021 Official Statement"), a draft Preliminary Official Statement relating to the issuance of the Series 2022 Bonds (the "Series 2022 Official Statement"), and the most recent financial statements of the Borrower, and after giving consideration to the factors enumerated in Section 253(d) of Chapter 12 of Title 10 of the Vermont Statutes Annotated, as amended (the "Act"), the Authority hereby makes the following findings:

- (a) the Project and its proposed financing are feasible;
- (b) the acquisition, improvement and operation of the Project will create or preserve employment opportunities directly or indirectly within the State;
- (c) the Project consist of property of a type which may be financed under Subchapter 4 of the Act;
- (d) the Borrower has the skills and financial resources necessary to operate the Project successfully;
- (e) each of the Agreements contains provisions such that under no circumstances is the Authority or the State obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the facilities except from bond

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proceeds or from funds received under the Agreements, exclusive of funds received thereunder by the Authority or the State for their own use;

(f) the Project plans comply with all applicable environmental, zoning, planning, and sanitary laws and regulations of the Town of Shelburne and of the State;

(g) neither of the Agreements purport to create any debt of the Authority or the State with respect to the facilities, other than a special obligation of the Authority under the Act;

(h) the proposed financing of the Project by the Authority and the proposed operation and use of the facility will preserve or increase the prosperity of the Town of Shelburne and the State, and will promote the general welfare of citizens of the State; and

(i) the Project satisfactorily meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under Section 280b of the Act.

2. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer of the Authority, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is authorized on behalf of the Authority to execute and deliver the Agreements substantially in the forms presented to this meeting, which forms are hereby approved subject to such changes as may be approved by the signing officer as evidenced by his/her execution of the Agreements.
3. The Chairman or Vice Chairman and the Chief Executive Officer or Treasurer of the Authority are authorized to issue and sell (i) the Series 2021 Bonds to B.C. Ziegler and Company, as underwriter of such Bonds (the “Underwriter”), substantially in the form set forth in the Sixth Supplemental Agreement authorized above, subject to such changes as may be approved by them as evidenced by their execution of the Bonds; and (ii) the Series 2022 Bonds to the Underwriter, as underwriter of such Bonds, substantially in the form set forth in the Seventh Supplemental Agreement authorized above, subject to such changes as may be approved by them as evidenced by their execution of the Bonds.
4. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer of the Authority or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is hereby authorized to fix the date and place for sale of all or any part of the Bonds and to sell and award the Bonds at public, private or negotiated sale, and to establish the principal amounts thereof in connection with such sale. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer of the Authority or such designated member of the Authority is hereby authorized to execute and deliver one or more purchase contracts for the sale of the Series 2021 Bonds and one or more forward purchase contracts for the sale of the Series 2022 Bonds containing such provisions as shall be deemed advisable by the officer executing the same, and the execution thereof shall be conclusive as to such determination. Any purchase contract or forward purchase contract executed and delivered by the Chairman, Vice Chairman, Treasurer or Chief Executive Officer or such designated member of the

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Authority shall be final and conclusive as to the purchaser or purchasers of the Bonds and as to the rate or rates of interest per annum to be borne by the Bonds.

5. The Chairman or the Vice Chairman is hereby authorized on behalf of the Authority to approve the Series 2021 Official Statement to be circulated in connection with the sale and delivery of the Series 2021 Bonds, in substantially the form of the draft Official Statement presented at this meeting, subject to such changes as may be approved by the signing officer as evidenced by his or her execution thereof. Use of the Series 2021 Official Statement by the underwriters in connection with the offering and sale of the Series 2021 Bonds is hereby approved.
6. The Chairman or the Vice Chairman is hereby authorized on behalf of the Authority to approve the Series 2022 Official Statement to be circulated in connection with the sale and delivery of the Series 2022 Bonds, in substantially the form of the draft Official Statement presented at this meeting, subject to such changes as may be approved by the signing officer as evidenced by his or her execution thereof. Use of the Series 2022 Official Statement by the underwriters in connection with the offering and sale of the Series 2022 Bonds is hereby approved.
7. U.S. Bank National Association is hereby designated as Trustee, paying agent and registrar for the Bonds. The principal of and redemption premium, if any, and interest on the Bonds shall be payable as provided in the Agreements.
8. The Bonds shall not be issued by the Authority until the Authority receives the approval of the Governor of the State or his designee and the State Treasurer as required by Section 254 of the Act.
9. In lieu of repeating the terms and provisions of the Agreements, they are incorporated herein by reference, and this Resolution shall be deemed to set forth all such terms and provisions to the extent that such terms and provisions may be set forth or are required to be set forth in this Resolution.
10. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is hereby authorized to execute and deliver any other documents and instruments necessary or convenient in connection with the financing and to do all acts and things necessary to carry out the financing and the Project in accordance with the Agreements and otherwise to effectuate the purposes of this Resolution.
11. This Resolution shall take effect immediately.

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Staff Authority – Loan Approval

Pursuant to a resolution passed by the Members of the Authority at the July 29, 2016 meeting, Staff has approved the following loan:

Name	Town	Program	Loan Amount
Aegis Renewable Energy, Inc.	Waitsfield	Com Energy	\$171,000


Staff Authority – Other Business

Staff presented the Members with the Internal Other Business memo.

There being no other business to properly come before the Authority, on a motion by T. Collier, seconded by S. Voigt, the meeting adjourned at 10:24 a.m.

ATTEST:

Vermont Economic Development Authority

By: 
Cassandra F. Polhemus, Chief Executive Officer