

VERMONT ECONOMIC DEVELOPMENT AUTHORITY
LOAN COMMITTEE

Minutes

October 15, 2021

A meeting of the Vermont Economic Development Authority's Loan Committee convened on October 15, 2021 beginning at 9:01 a.m. Those Committee Members present via video conferencing were: T. Gallagher, Chair; T. Foster; M. Tuttle; S. Voigt; D. Kurzman; R. Shippee; B. Pearce; E. Delhagen (designee for J. Tierney) and A. Eastman (designee for A. Tebbetts). Staff present in VEDA's Offices were: S. Buckley, Senior Commercial Loan Officer and A. Wright, Executive Assistant and Office Manager. Staff present via video conferencing were: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Porter, Director of Commercial Lending; C. Blais, Commercial Credit Analyst and K. Kilpatrick, Administrative Assistant. Those Committee Members present constituted a quorum.

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On a motion by M. Tuttle, seconded by T. Foster, the minutes for the September 10, 2021 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 8 to 0 with the Chair abstaining.

Northeast Kingdom Development Corporation – Newport – Subchapter 3 – \$1,360,000

S. Buckley explained Northeast Kingdom Development Corporation (NEKDC) of Newport is requesting \$1,360,000 in Subchapter 3 financing. The loan will be secured by a mortgage on project property located at 172 Bogner Drive in Newport, Vermont, a security interest in the separate lease payment account and VEDA will take an assignment of the lease between NEKDC and Track (loan guarantor and operating company).

After discussion regarding property appraisal, the Global Warming Solutions Act and energy standards, and the benefits this project will bring to the region, on a motion by S. Voigt, seconded by M. Tuttle, the above loan request was approved by those Members of the Committee present by a vote of 8 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:

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- (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.
- (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.

Other Business

T. Gallagher reminded the Members the next full Board Meeting is scheduled for October 29, 2021. C. Polhemus indicated the meeting will be in-person with a remote option available.

There being no other business to properly come before the Committee, on a motion by S. Voigt, seconded by M. Tuttle the meeting adjourned at 9:39 a.m.

ATTEST:

Vermont Economic Development Authority

By: 
Cassandra F. Polhemus, Chief Executive Officer