

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

October 29, 2021

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on October 29, 2021 beginning at 9:55 a.m. Those Members of the Authority present were: S. Voigt, Chair; T. Gallagher; R. Shippee, and T. Foster. Members present via video conferencing were: A. Eastman (designee for A. Tebbetts); E. Delhagen (designee for J. Tierney); M. Tuttle; L. Graves; K. Hale; T. Collier, and D. Kurzman. Staff members present in VEDA's Montpelier office were: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; T. Porter, Director of Commercial Lending; S. Buckley, Senior Loan Officer, and A. Wright, Executive Assistant and Office Manager. Staff members present via video conferencing were: P. Fitzgerald, Director of Loan Resolution; Senior Loan Officers: M. Dussault, S. Croft, J. Conklin, E. Denny and A. Wood; Loan Officers: M. Corbett, E. Paradee, C. Leonard; J. Shackman, Senior Commercial Credit Analyst and K. Kilpatrick, Administrative Assistant. L. Ginsburg, Agricultural Development Section Chief from the Vermont Agency of Agriculture, Food and Markets joined the meeting later via video conferencing. Those Members present constituted a quorum.

Minutes of September 24, 2021

On a motion by L. Graves, seconded by T. Collier, the minutes for the September 24, 2021 meeting were approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Member Area Review

E. Delhagen explained the Vermont Department of Public Service is currently working to update the Comprehensive Energy Plan. This update should be completed by January 2022 and is seeking input as the plan is being developed. He thanked VEDA for its work in the clean energy space.

CEO's Report

C. Polhemus opened her report explaining meeting dates have been scheduled for calendar year 2022, and noted Staff will no longer add these meetings to the Members' calendars. She explained an email invitation will be sent to the Members the week of each meeting.

Next, C. Polhemus explained the CoBank review of the ag portfolio was very positive and thanked S. Isham and the VACC staff for their hard work.

C. Polhemus continued, noting the positive feedback she received regarding Rodney Patterson's presentation for Members at the September Planning Meeting. She explained she has engaged him to work with Staff for a series of half day workshops covering community relations, corporate social responsibility, and unconscious bias as well as an introductory course on DEI&E. These workshops will be open to any Members interested in joining.

Lastly, T. Gallagher commented going forward Board Meetings will be organized such that Members may attend in person if comfortable but will also have a remote option available.

At 9:59 a.m. L. Ginsburg joined the meeting.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through September 30, 2021 was a loss of \$103.3 thousand and was unfavorable to budget by \$646.9 thousand. Net Interest Income of \$1.9 million was unfavorable to budget by \$26.2 thousand. Other Income of \$133.3 thousand was unfavorable to budget by \$1.1 thousand.

Credit Quality Report

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

Outstanding Loan Review Items – Quarterly Update

C. Houchens reviewed the quarterly update of the Outstanding Loan Review Items.

Credit Risk Classification Report – 1st Quarter FY2022

Staff's Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 1st quarter of fiscal 2022 (ended September 30, 2021) included recommended loan loss reserves in the amount of \$3,393,200.

After discussion regarding the reserves and changes recommended thereto, on a motion by T. Foster, seconded by T. Gallagher, the recommendation was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Affiliate Loan Review Report

C. Houchens presented the Members with the Affiliate Loan Review Report, including management's responses and remediation of findings. She explained the review included loans from Brownfields Redevelop Fund, Clean Energy Development Fund, Drinking Water Revolving Loan Fund, Clean Water, State Infrastructure Bank and the Windham County Economic Development Program.

On a motion by L. Graves, seconded by T. Collier, the Affiliate Loan Review Report was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Strategic Plan Quarterly Update

C. Polhemus presented the Strategic Plan – Revised as of October 2021 to the Members. Discussion ensued regarding marketing and engagement, loan pricing methodology and constraints due to pandemic.

On a motion by T. Collier, seconded by T. Gallagher, the Revised Strategic Plan was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Franklin County Industrial Development Corp. – St. Albans – Subchapter 3 – \$479,954

M. Dussault explained Franklin County Industrial Development Corp. (FCIDC) is requesting \$479,954 in Subchapter 3 financing. The loan will be secured by a mortgage on 93 acres of land located at Industrial Park Road, St. Albans, Vermont and an assignment of all permits and development rights on the project property.

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On a motion by A. Eastman, seconded by R. Shippee, the above loan request was approved by those Members of the Authority present by a vote of 9 to 0 with the Chair and T. Gallagher abstaining.

After thoroughly reviewing the loan request and proposed project, VEDA staff has made the following determinations per 10 V.S.A. § 237:

- (1) The proposed industrial park is on adequate land owned or to be owned by the local development corporation or leased by the local development corporation on terms satisfactory to the authority;
- (2) An adequate access road from a public highway is provided to the proposed site, and utilities, including water, sewer, and power facilities are available or will be available for any future tenant located in the park;
- (3) The total industrial park will be planned by architects and engineers acceptable to the authority;
- (4) No more than eighty percent of the fair market value of the industrial park, as shown by appraisal by an appraiser acceptable to the authority, is to be financed under the loan;
- (5) The park 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;
- (6) The park project complies with all applicable environmental, zoning, planning and sanitary laws and regulations of the municipality in which it is to be located and of the state of Vermont;
- (7) The local development corporation is responsible and has presented evidence to demonstrate its ability to carry out the park project as planned;
- (8) Evidence has been presented demonstrating the feasibility of the site as a location for industry, and additional evidence has been presented that an adequate supply of labor is available within the labor market area to serve an industry located on the site; and
- (9) The park project will be without unreasonable risk of loss to the authority, and the local development corporation is unable to secure on reasonable terms the funds required for the project without the assistance of the authority.

Pittsford Corn Hill GLC Solar, LLC – Pittsford – Commercial Energy – \$1,185,814

S. Buckley explained Pittsford Corn Hill GLC Solar, LLC of Pittsford is requesting \$1,185,814 in Commercial Energy financing. The loan will be secured by security interest in all of the borrower's project machinery and equipment, security interest in all other now owned or hereafter acquired business assets and a security interest in a debt service reserve account, the collateral assignment of the Act 248 Certificate of Public Good, collateral assignment of the Group Net Metering Agreements with the Essex Westford School District and Kingdom East School District, collateral assignment of the Engineering, Procurement and Construction Agreement, and all other contracts involved in constructing, operating, monitoring and maintaining the project facility including the construction contracts and subcontracts with Green

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Lantern Construction, LLC (project installer), collateral assignment of borrower’s rights under a 20-year land lease agreement with Richard Colburn (landowner), collateral assignment of Interconnection Agreement with Green Mountain Power, and the corporate guaranty of Green Lantern Development, LLC (project developer).

After discussion regarding concentration risk in the solar portfolio, on a motion by T. Collier, seconded by T. Gallagher, the above loan request was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Weathersfield GLC Solar, LLC – Perkinsville – Commercial Energy – \$1,206,618

S. Buckley explained Weathersfield GLC Solar, LLC of Perkinsville is requesting a \$1,206,618 Commercial Energy loan. The loan will be secured by security interest in all of the borrower’s project machinery and equipment, security interest in all other now owned or hereafter acquired business assets, security interest in a debt service reserve account, collateral assignment of the Act 248 Certificate of Public Good, collateral assignment of the Group Net Metering Agreements with Vernon Advent Christian Home, Inc., Village of Poultney and Kingdom East School District, collateral assignment of the Engineering, Procurement and Construction Agreement, and all other contracts involved in constructing, operating, monitoring and maintaining the project facility including the construction contracts and subcontracts with Green Lantern Construction, LLC (project installer), collateral assignment of borrower’s rights under a 30-year land lease agreement with Brian Walters (landowner), collateral assignment of Interconnection Agreement with Green Mountain Power, and the corporate guaranty of Green Lantern Development, LLC (project developer).

On a motion by T. Foster, seconded by T. Collier, the above loan request was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Board Loan Committee – Approval

The following loan has been approved by the VEDA Board Loan Committee.

Name	Town	Program	Loan Amount
Northeast Kingdom Development Corporation	Newport	Subchapter 3	\$1,360,000

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Staff Authority – Loan Approvals

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

Name	Town	Program	Loan Amount
Rockingham Riverbend GLC Solar, LLC	Rockingham	Comm Energy	\$299,456
SA3 AMBA Hospitality LLC (Travel Inn)	Rutland	Subchapter 5	\$450,000
Burlington Beer Company	Williston	Subchapter 5	\$421,200
FCI Holding Company (dba Four Chimneys Inn)	Bennington	Subchapter 5	\$820,750

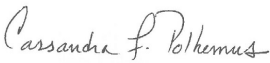
Staff Authority – Other Business

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 R. Shippee, the meeting adjourned at 11:12 a.m.

ATTEST:

Vermont Economic Development Authority

By: 
Cassandra F. Polhemus, Chief Executive Officer