

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

May 27, 2022

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on May 27, 2022, beginning at 9:32 a.m. Members present in VEDA's office were: S. Voigt, Chair; T. Gallagher; E. Delhagen (designee for J. Tierney); R. Shippee; T. Foster; C. Carpenter and K. Hale. Those Directors present via teleconferencing were: T. Collier and A. Eastman (designee for A. Tebbetts). Staff present in VEDA's Montpelier office were: C. Polhemus, Chief Executive Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; J. Emens-Butler, Director of Closing; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; Senior Loan Officers: E. Denny, S. Buckley and A. Wood; A. Wright, Executive Assistant and Office Manager and K. Kilpatrick, Administrative Assistant. Staff members present via teleconferencing were: M. Corbett, Loan Officer. Member D. Kurzman entered the meeting later. Member A. Gagner-Murphy and H. Hook, Senior Accountant joined the meeting later via teleconferencing. Those Members present constituted a quorum.

CEO's Report

C. Polhemus began her report noting Staff is in the process of planning in person events for the Strategic Planning Meeting in September and the Annual Meeting and Luncheon in October. She noted both are subject to change depending on the status of COVID.

Next, C. Polhemus described the status of bills as the end of the legislative session approaches. She noted the bill which contains the VEDA Forgivable Loan Program, S.11, is now awaiting the Governor's approval. She explained VEDA will be creating and implementing the program, noting operational details are currently being developed.

At 9:38 a.m. D. Kurzman entered the meeting and H. Hook joined via teleconferencing.

C. Polhemus continued, noting S.11 also includes transferring the Windham Community Economic Development Program to Brattleboro Development Credit Corporation. The original

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principal for the loan program has been exhausted. BDCC will assume the servicing for the loans that remain outstanding.

Next, C. Polhemus provided the Members with a list of legislators who have announced retirements or are seeking a higher office.

At 9:44 a.m. A. Gagner-Murphy joined via teleconferencing.

Discussion ensued regarding the learning process for new legislators involved with VEDA. C. Polhemus also noted B. Pearce’s decision to retire at the end of her term and commented on her tremendous support for VEDA during her tenure as State Treasurer.

C. Polhemus continued, noting five states have been approved for SSBCI funding, though monies will not be disbursed until further action by Congress.

Next, C. Polhemus noted the SBA SMART Review of VT 504 Corporation is currently in process – headed by C. Houchens, Chief Risk and Resource Officer.

C. Polhemus closed her report noting VEDA had strong participation in the 39th Annual Vermont Corporate Cup and State Agency Race. She noted in-person walking teams came in 1st and 4th overall.

Area Review

K. Hale noted she was glad to see such a robust pipeline for VEDA, stating she is also seeing the same in the banking sector.

D. Kurzman stated it was nice to see so many license plates from Quebec in the Northeast Kingdom. He expects the VEDA Forgivable Loan Program dollars will help businesses close to the border that are experiencing an uptick in visitors from Canada.

Consent Agenda

Approval Item

1. Minutes of April 29, 2022

Informational Items

2. Board Loan Committee – Approvals

Name	Town	Program	Loan Amount
MHG Solar LLC	Manchester	Commercial Energy	\$2,000,000
Hoosic River Hydro, LLC	North Pownal	Commercial Energy	\$2,797,800

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3. Staff Authority – Loan Approvals

Name	Town	Program	Loan Amount
Saxtons River Distillery, LLC	Brattleboro	Commercial Energy	\$213,300
Vermont Malthouse LLC	Charlotte	Subchapter 5	\$600,000

On a motion by T. Gallagher, seconded by D. Kurzman, the Minutes of the April 29, 2022 were approved as presented by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Board Financial Summary

T. Richardson presented the monthly financial report, explaining Net Operating Income before fair value adjustment for investments through April 30, 2022 of \$3.9 million was favorable to budget by \$1.7 million. Net Interest Income of \$6.5 million was favorable to budget by \$98.7 thousand. Other Income of \$578.9 thousand was favorable to budget by \$32.8 thousand.

Commercial Loan Policy Update

C. Polhemus outlined the updates within the Commercial Loan Policy, noting changes have been made to match the new VEDA law. The changes include increasing the maximum loan amount in VEDA’s Subchapter 5 program to \$5 million (\$6 million with an energy component) as well as increasing maximum loan amounts in the VSBDC program and increasing the maximum allowed amortization period for certain loans.

On a motion by D. Kurzman, seconded by T. Collier, the updates to the Commercial Loan Policy were approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Other Business

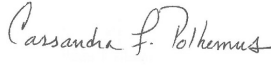
S. Voigt reminded Members to add the Annual Meeting and Luncheon on October 28, 2022 to their calendars.

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There being no other business to properly come before the Authority, on a motion by D. Kurzman, seconded by T. Collier, the meeting adjourned at 10:02 a.m.

ATTEST:

Vermont Economic Development Authority

By: 

Cassandra F. Polhemus, Chief Executive Officer

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

May 27, 2022

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at VACC’s office in Montpelier on May 27, 2022 beginning at 10:03 a.m. Directors present in VACC’s office were: S. Voigt, Chair; T. Gallagher; E. Delhagen (designee for J. Tierney); R. Shippee; T. Foster; C. Carpenter; K. Hale and D. Kurzman. Those Directors present via teleconferencing were: T. Collier; A. Eastman (designee for A. Tebbetts) and A. Gagner-Murphy. Staff present in VEDA’s Montpelier office were: C. Polhemus, President; T. Richardson, Treasurer; S. Isham, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; Senior Loan Officers: E. Denny, S. Buckley and A. Wood; A. Wright, Executive Assistant and Office Manager and K. Kilpatrick, Administrative Assistant. Staff members present via teleconferencing were: M. Corbett, Loan Officer and H. Hook, Senior Accountant. Those Directors present constituted a quorum.

Consent Agenda

Approval Item

1. Minutes of April 29, 2022

Informational Items

2. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Bathalon, Allan P. and Karen R.	North Troy	\$45,000
Lady Bug Farm LLP; Flanders, Heather D., McAllister, Russell R. and McAllister, Stanley W.	Hardwick	\$36,500
Manosh, Edward V.	Hyde Park	\$23,000
Amanna, Emily E. and Hassan, David T.	Athens	\$50,000
Newton, Stephen P. and Denise M.	Marshfield	\$25,000
Lepesqueur, Benjamin K.	Bakersfield	\$81,000
DeGraaf, Nicholas W. and DeGraaf, Renae H.	Richmond	\$25,000

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3. Staff Authority – Other Business

On a motion by T. Gallagher, seconded by K. Hale, the Minutes of April 29, 2022 meeting were approved as presented by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Agricultural Update

A. Eastman began with a description of the legislative bills affecting agriculture, including one that would have banned neonicotinoids. She explained the various working groups involved with the Agency of Agriculture and the sectors impacted through numerous legislative bills this recent session. A. Eastman also discussed the effects of Act 250 on the permitting process and the lack of consistency between towns.

Discussion ensued regarding PFAS contaminations from food packaging going into anaerobic digesters and the effects of biosolids as fertilizers.

T. Foster explained there will be a shortage of feed and higher feed prices for some time, in large part due to the war in Ukraine.

There being no other business to properly come before the Corporation, on a motion by D. Kurzman, seconded by T. Collier, the meeting adjourned at 10:19 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

By: *Sarah C. Isham*
Sarah C. Isham, Secretary

VERMONT 504 CORPORATION

Minutes

May 27, 2022

A meeting of the Vermont 504 Corporation convened at VEDA's Montpelier office on May 27, 2022 beginning at 10:19 a.m. Those Directors present in VEDA's office were: S. Voigt; T. Gallagher; E. Delhagen (designee for J. Tierney); R. Shippee; T. Foster; C. Carpenter; K. Hale and D. Kurzman. Those Directors present via teleconferencing were: T. Collier; A. Eastman (designee for A. Tebbetts) and A. Gagner-Murphy. Staff present in VEDA's Montpelier office were: C. Polhemus, President; T. Richardson, Treasurer; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; Senior Loan Officers: E. Denny and S. Buckley; A. Wright, Executive Assistant and Office Manager and K. Kilpatrick, Administrative Assistant. Staff members present via teleconferencing were: Loan Officer: M. Corbett. Directors T. Gallagher, C. Carpenter, and R. Shippee have commercial lending experience. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Items

1. Minutes of April 29, 2022
2. Code of Ethics
3. Emergency Management Succession Plan

On a motion by T. Collier, seconded by T. Gallagher, all items on the consent agenda were approved as presented by those Directors of the Corporation present by a vote of 11 to 0.

PreVail Holdings LLC (Bistro at Ten Acres) – Stowe – SBA 504 Gross Debenture – \$450,000

M. Corbett explained PreVail Holdings LLC of Stowe is requesting an SBA Gross Debenture financing in the amount of \$450,000. The loan will be secured by a mortgage on the project property and a security interest in all equipment.

After discussion regarding interest rate and servicing fees, on a motion by T. Foster, seconded by T. Gallagher, the following resolution was approved by those Directors of the Corporation present by a vote of 11 to 0.



RESOLUTION OF THE BOARD OF DIRECTORS OF

Vermont 504 Corporation
(Development Company Applicant)

FOR SALE OF A 504 DEBENTURE, LOAN #

FOR PURPOSE OF FUNDING A SMALL BUSINESS LOAN TO

PreVail Holdings LLC for the benefit of PreVail LLC
(Small Business Borrower)

- I. RESOLVED, that the officers of this corporation named below in Section VI hereof, or any one of them, or any one of their duly elected or appointed successors in office ("officers"), be and they are authorized and empowered in the name of and on behalf of this Certified Development Corporation (CDC) and under its seal, to execute and deliver to the Small Business Administration (SBA), or SBA's duly appointed agent, as the case may be, the following documents:
- (a) Application for debenture guaranty and sale in the total amount not to exceed \$450,000.00, maturing upon such date, bearing interest at such rate, and having such terms and conditions as may be prescribed; and
 - (b) the debenture of this CDC, to be sold and guaranteed by SBA on behalf of this CDC on such terms and conditions as SBA may deem proper; and
 - (c) any and all other instruments or agreements of this CDC which may be required by SBA in connection with such debenture guaranty;
- II. FURTHER RESOLVED, that the officers be and they are authorized and empowered to do any acts to secure SBA's guarantee of the debenture issued hereunder, including but not limited to the mortgage, pledge, or hypothecation to SBA, or SBA's duly appointed agent, of any or all assets granted and pledged by the small business borrower to this CDC; and to execute in the name and on behalf of this CDC any instruments or

agreements deemed necessary or proper by SBA, in respect of the collateral given by this CDC to secure SBA's guaranty of the debenture issued pursuant hereto;

- III. FURTHER RESOLVED, that any indebtedness heretofore contracted and any contracts or agreements heretofore made with SBA on behalf of this CDC, and all acts of officers or agents of this CDC in connection with said indebtedness or said contracts or agreements, are hereby ratified and confirmed;
- IV. FURTHER RESOLVED, that Eagle Compliance, LLC (Eagle 504) is authorized as agent for this CDC to sell the debenture referred to herein at such price, on such date, at such interest rate, and on such terms and conditions as may be deemed proper and as approved by SBA; and, to deliver on behalf of this CDC any and all documentation required by the purchaser(s) to effect the sale and guarantee of the debenture, and to receipt for the purchase price for said debenture for the account of this CDC. This CDC further authorizes SBA or its agent to insert the date of issuance of the debenture, the interest rate, the payment dates, the payment amounts, and the maturity date of the debenture being sold hereunder;
- V. FURTHER RESOLVED, that this resolution shall be effective until written notice of its amendment or rescission is received by SBA and Eagle 504 prior to the execution by Eagle 504 of an agreement for sale of the Debenture.
- VI. FURTHER RESOLVED, that the officers referred to in the foregoing resolutions are as follows:

<u>Cassandra F. Polhemus</u> Name	<u>President</u> Title	_____
		Signature
<u>Peter Samson</u> Name	<u>Vice President</u> Title	_____
		Signature
<u>Sandra Croft</u> Name	<u>Secretary</u> Title	_____
		Signature
<u>Jennifer Emens-Butler</u> Name	<u>Assistant Secretary</u> Title	_____
		Signature
<u>Jennifer Pinsonneault</u> Name	<u>Assistant Secretary</u> Title	_____
		Signature

- VII. FURTHER RESOLVED, that SBA is authorized to rely upon the aforesaid resolution until receipt of written notice of any change.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of resolutions regularly presented to and adopted by the Board of Directors of Vermont 504 Corporation (the CDC) at a meeting duly called and held at Montpelier, VT on the day of May 27, 2022, at which a quorum was present and voted, and that such resolution is duly recorded in the minute book of

VT 504 Minutes – May 27, 2022

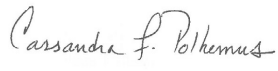
this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of the respective offices set after their respective names; and that the signatures set opposite their respective names are their true and genuine signatures.

Sandra Croft, Secretary

There being no other business to properly come before the Corporation, on a motion by S. Voigt, seconded by T. Collier, the meeting adjourned at 10:36 a.m.

ATTEST:

Vermont 504 Corporation

By: 
Cassandra F. Polhemus, President

VERMONT SMALL BUSINESS DEVELOPMENT CORP.

Minutes

May 27, 2022

A meeting of the Vermont Small Business Development Corp. (VSBDC) convened in VEDA's Montpelier office on May 27, 2022 beginning at 10:37 a.m. Those Directors present in VEDA's office were: S. Voigt; T. Gallagher; E. Delhagen (designee for J. Tierney); R. Shippee; T. Foster; C. Carpenter; K. Hale and D. Kurzman. Those Directors present via teleconferencing were: T. Collier; A. Eastman (designee for A. Tebbetts) and A. Gagner-Murphy. Staff present in VEDA's Montpelier office were: C. Polhemus, President; T. Richardson, Treasurer; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; Senior Loan Officers: E. Denny and S. Buckley; A. Wright, Executive Assistant and Office Manager and K. Kilpatrick, Administrative Assistant. Staff members present via teleconferencing were: Loan Officer: M. Corbett. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Item

1. Minutes of April 29, 2022

Informational Items

2. Staff Authority – Loan Approvals

Name	Town	Loan Amount
GMG Property Management LLC and GMG LLC dba Green Mountain Garage	Brandon	\$240,000
Vegan and Flex LLC	Brattleboro	\$71,600

3. Staff Authority – Other Business

On a motion by S. Voigt, seconded by K. Hale, the Minutes of April 29, 2022

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Meeting were approved as presented by those Directors of the Corporation present by a vote of 11 to 0.

There being no other business to properly come before the Corporation, on a motion by T. Gallagher, seconded by S. Voigt, the meeting adjourned at 10:38 a.m.

ATTEST:

Vermont Small Business Development Corp.

By: Cassandra F. Polhemus
Cassandra F. Polhemus, President