

# VERMONT ECONOMIC DEVELOPMENT AUTHORITY

## Minutes

June 24, 2022

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on June 24, 2022, beginning at 9:31 a.m. Members present in VEDA's office were: S. Voigt, Chair; T. Gallagher; D. Kurzman; T. Foster; R. Shippee; E. Delhagen (designee for J. Tierney); C. Carpenter; T. Collier; J. Goldstein (designee for J. Tierney) and A. Eastman (designee for A. Tebbetts). Those Directors present via teleconferencing were: B. Pearce and L. Graves. Staff 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; S. Croft, Deputy Director of Commercial Lending; J. Emens-Butler, Director of Closing; S. Isham, Director of Agricultural Lending; Senior Loan Officers: E. Denny and S. Buckley; Loan Officer: C. Leonard and A. Wright, Executive Assistant and Office Manager. J. Shackman, Senior Credit Analyst joined the meeting later via teleconferencing. Those Members present constituted a quorum.

### CEO's Report

C. Polhemus began her report congratulating A. Wood on his promotion to Deputy Director of Agricultural Lending effective July 1, 2022.

Next, C. Polhemus stated she has been in communication with the Joint Fiscal Office regarding the VEDA Forgivable Loan Program. The program is scheduled to launch August 1, 2022, subject to legislative review.

C. Polhemus provided the Members with links to VEDA articles and media coverage.

Next, C. Polhemus presented the Approvals and Closing reports, noting VEDA is finishing the year strong.

### Member Area Review

J. Goldstein indicated she has seen a fair number of businesses in the process of or planning for expansion as she recently traveled different regions of the state. She noted that supply chain and material costs are more of an issue than staffing.

VEDA Minutes – June 24, 2022

Discussion ensued regarding staffing with A. Eastman indicating businesses should consider different social media outlets for to reaching younger workers.

Consent Agenda

Approval Item

1. Minutes of May 27, 2022

Informational Items

2. Board Loan Committee – Approval

<b>Name</b>	<b>Town</b>	<b>Program</b>	<b>Loan Amount</b>
4SQ FFI Williston LLC (Fairfield Inn)	Williston	Subchapter 5	\$2,000,000

3. Staff Authority – Loan Approval

<b>Name</b>	<b>Town</b>	<b>Program</b>	<b>Loan Amount</b>
Eldorado 2, Inc. dba Trailside Inn	Killington	Commercial Energy	\$122,300

On a motion by T. Collier, seconded by R. Shippee, the Minutes of the May 27, 2022 were approved as presented by those Members of the Authority present by a vote of 11 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 May 31, 2022 of \$4.0 million was favorable to budget by \$1.7 million. Net Interest Income of \$7.1 million was favorable to budget by \$116.4 thousand. Other Income of \$638.5 thousand was favorable to budget by \$48.1 thousand.

349 S. Willard Street Burlington Holdings LLC (Willard Street Inn) – Burlington – Subchapter 5 – \$1,500,000

E. Denny explained 349 S. Willard Street Burlington Holdings LLC (SWSB) of Burlington is requesting \$1,500,000 in Subchapter 5 financing. The loan will be secured by a mortgage on project land and building owned by SWSB and located at 349 S. Willard Street, Burlington Vermont, a security interest in all SWSB now owned and hereafter acquired business assets, an assignment of a debt reserve account and an assignment of the management agreement with Lark Hotels (operator of SWSB).

VEDA Minutes – June 24, 2022

After discussion regarding project renovation schedule, energy efficiency improvements, and occupancy rate, on a motion by T. Gallagher, seconded by J. Goldstein, the above loan request was approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

After thoroughly reviewing the loan request, VEDA staff has made the following determinations per 10 V.S.A. § 262:

- (1) The project is within the scope of this chapter and will increase or maintain employment and expand the economy of the State;
- (2) 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;
- (3) The making of the loan will be of public use and benefit;
- (4) The proposed loan will be adequately secured by a mortgage on real property or equipment, or both;
- (5) The principal obligation of the Authority's mortgage does not exceed \$1,500,000.00, which may be secured by land and buildings or by machinery and equipment, or both; unless:
  - (A) an integral element of the project consists of the generation of heat or electricity employing biomass, geothermal, methane, solar, or wind energy resources to be primarily consumed at the project, in which case the principal obligation of the Authority's mortgage does not exceed \$2,000,000.00, which may be secured by land and by buildings, or machinery and equipment, or both; such principal obligation does not exceed 40 percent of the cost of the project; and the mortgagor is able to obtain financing for the balance of the cost of the project from other sources as provided in the following section; or
  - (B) a single loan for which the principal amount of the Authority's mortgage does not exceed \$3,000,000.00 for an eligible facility consisting of a municipal telecommunications plant, as defined in 24 V.S.A. § 1911(2).
- (6) The mortgagor is responsible and able to manage its responsibilities as mortgagor and owner of the project;
- (7) The mortgage has a satisfactory maturity date, in no case later than 20 years from the date of the mortgage;
- (8) The mortgagor is unable to finance the project upon reasonable terms without the assistance of the requested loan from the Authority, or in the alternative, the granting of the loan will serve as a substantial inducement for the establishment or expansion of an eligible project within the State;
- (9) The mortgagor has made adequate provision for insurance protection of the project while the loan is outstanding; and
- (10) The loan will be without unreasonable risk of loss to the Authority. Such findings when adopted by the Authority shall be conclusive.

Resolution: Recognition of Daniel J. Kurzman’s Contributions to VEDA

S. Voigt thanked D. Kurzman for his years of service to VEDA. S. Voigt then read the following resolution recognizing D. Kurzman for his dedication to the VEDA Board. The following resolution was unanimously approved by those Members of the Authority present.

Resolution  
In Recognition and Profound Appreciation of Distinguished Service by  
Daniel J. Kurzman

WHEREAS, Daniel J. Kurzman was a Member of the Vermont Economic Development Authority (“Authority”) from November 2007 through June 2022; and

WHEREAS, he served as Treasurer of the Authority from October 2014 through February 2015; and from October 2021 through June 2022; and

WHEREAS, he served as Vice Chair of the Authority from October 2015 through October 2016; and

WHEREAS, he served as Chair of the Authority from October 2016 through October 2018; and

WHEREAS, he served as a valued Member of many committees of the Authority throughout his service, including the Nominating Committee, the Loan Committee, the 504 Loan Committee, and the Executive Committee; and

WHEREAS, he has provided outstanding leadership, guidance, and business expertise, especially in the areas of manufacturing, human resources, business negotiations and business management to the Authority throughout his long service to the Authority; and

WHEREAS, with his great contributions, the Authority has been an important tool in encouraging the growth of commercial and agricultural development compatible with the economic and environmental goals of Vermont and its people; and

WHEREAS, his associates have deep respect for his personal integrity, excellent judgment, and his ability to make sound decisions;

NOW THEREFORE BE IT RESOLVED, that the Members of the Authority, its officers and staff, pay tribute to Daniel J. Kurzman and express to him their gratitude for his outstanding service, and wish him continuing good health and happiness in his other pursuits; and

VEDA Minutes – June 24, 2022

BE IT FURTHER RESOLVED, that a copy of this resolution be recorded in the Minutes of the Authority and a copy be furnished to Daniel J. Kurzman.

Resolution: Recognition of Leon C. Graves' Contributions to VEDA

S. Voigt read the following resolution recognizing L. Graves for his service to the VEDA Board. The following resolution was unanimously approved by those Members of the Authority present.

Resolution  
In Recognition and Profound Appreciation of Distinguished Service by  
Leon C. Graves

WHEREAS, Leon C. Graves served as Ex-officio Member of the Vermont Economic Development Authority (“Authority”) from June 1995 through January 2003 while serving as Governor Howard Dean’s Commissioner of Agriculture; and

WHEREAS, Leon C. Graves served as an appointed Member of the Authority from July 2004 through June 2022; and

WHEREAS, he served as Vice Chair of the Authority from October 29, 2010 through October 26, 2012; and

WHEREAS, he served as Chair of the Authority from October 26, 2012 through October 31, 2014; and

WHEREAS, he served as Member at Large of the Authority from October 30, 2015 through October 29, 2021; and

WHEREAS, he served as a valued Member of many committees of the Authority throughout his service, including the Loan Committee, the 504 Loan Committee, the Nominating Committee, the Executive Committee, the Audit Committee, and the Asset Liability Committee; and

WHEREAS, he has provided outstanding leadership, guidance, and expertise, especially in the agricultural sector, throughout his long service to the Authority; and

WHEREAS, with his contributions, the Authority has been an important tool in encouraging the growth of commercial and agricultural development compatible with the economic and environmental goals of Vermont and its people; and

WHEREAS, his associates have deep respect for his personal integrity, his excellent judgment and his ability to make sound decisions;

VEDA Minutes – June 24, 2022

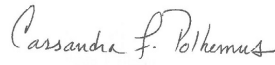
NOW THEREFORE BE IT RESOLVED, that the Members of the Authority, its officers and staff, acknowledge and extend their profound appreciation to Leon C. Graves for his many years of service and wish him continuing good health and happiness in his other pursuits; and

BE IT FURTHER RESOLVED, that a copy of this resolution be recorded in the Minutes of the Authority and a copy be furnished to Leon C. Graves.

There being no other business to properly come before the Authority, on a motion by T. Gallagher, seconded by T. Foster, the meeting adjourned at 10:19 a.m.

ATTEST:

Vermont Economic Development Authority

By:   
Cassandra F. Polhemus, Chief Executive Officer