

# 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.

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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).

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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

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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;

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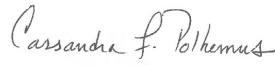
NOW THEREFORE BE IT RESOLVED, that the Members of the Authority, its officers and staff, acknowledge and extend their profound appreciation to Leon C. Graves for his many years of service and wish him continuing good health and happiness in his other pursuits; and

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

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

June 24, 2022

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at VACC’s office in Montpelier on June 24, 2022 beginning at 10:20 a.m. Directors present in VACC’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 L. Kurrle) 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, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Isham, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; S. Croft, Deputy Director of Commercial Lending; Senior Loan Officers: E. Denny and S. Buckley; Loan Officer: C. Leonard and A. Wright, Executive Assistant and Office Manager. Those Directors present constituted a quorum.

Consent Agenda

Approval Items

- 1. Minutes of May 27, 2022
- 2. Non-Guaranteed Agricultural Loan Review Report

Informational Items

- 3. Board Loan Committee – Approval

Name	Town	Loan Amount
Elysian Fields, LLC; Elysian Fields Ag Land, LLC; Hescock, Joseph B. and Kathleen R. and Hescock, Tirzah	Shoreham	\$287,000

- 4. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Holmgren, Eric L. and Tammy S.	Orange	\$282,800
Green Mountain Hay; Powden, Nicholas J. and Marley J.	Charlotte	\$675,000

- 5. Staff Authority – Other Business

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On a motion by T. Gallagher, seconded by J. Goldstein, the Minutes of May 27, 2022 meeting and the non-guaranteed agricultural loan review report were approved as presented by those Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.

Agricultural Update

A. Eastman indicated that conversation regarding the Act 250 1-acre exemption continues with the Natural Resource Board. This change would support the farming community that aggregates products from other farms.

Next, A. Eastman noted that GTI, a milk hauling company out of New York, is closing its doors. Discussions with the New York Commissioner to fill this void has been initiated.

A. Eastman ended her update- noting that increasing fuel prices are causing a stressful year for farmers.

T. Foster noted that milk prices, grain and fertilizer are going down while labor has increased. Farmers are dropping dry weight products due to the unavailability of grain and wheat.

J. Goldstein indicated that the ARPA funding guidelines enabling states to identify impacted industry group recognizes the agricultural sector.

Discussions ensued regarding the organic milk market, the hemp program, and processors.

VACC Loan Policy Updates

S. Isham explained the VACC Loan Policy has been updated to accommodate the addition of the position of Deputy Director of Agricultural Lending (DDAL) as well as other general clean up items. She noted the DDAL position will be filled effective July 1, 2022 by A. Wood. She also explained that the FOLP program will remain in the VACC Loan Policy because we continue to service loans originated under the program.

On a motion by J. Goldstein, seconded by T. Gallagher, the updated VACC Loan Policy was approved by those Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.



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Gevry Firewood LLC, Ethan C. Gevry and Matthew J. Gevry – Addison – Operating Loan – \$180,000 – Other Business – Increase and Readvance to Existing Loan

C. Leonard explained Gevry Firewood LLC, et al., of Addison is requesting \$180,000 in VACC financing and to increase and readvance a total of \$26,021 on an existing loan. The loans will be secured by a security interest in all of the now owned and hereafter acquired firewood machinery and equipment owned by Gevry Firewood LLC, including but not limited to all replacements, substitutions, accessories, accessions, and parts thereof and all products and proceeds thereof and insurance proceeds thereof, and a mortgage on 352 acres conserved real estate and buildings thereon owned by Ethan C. Gevry at 3968 Vermont Route 22A, Addison, Vermont.

After discussion regarding the Working Lands grant program, best practices and pest management for kiln dried wood, on a motion by T. Gallagher, seconded by T. Foster, the above loan request was approved by those Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.

There being no other business to properly come before the Corporation, on a motion by T. Collier, seconded by J. Goldstein, the meeting adjourned at 10:55 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

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

# VERMONT 504 CORPORATION

## Minutes

June 24, 2022

A meeting of the Vermont 504 Corporation convened at VEDA's Montpelier office on June 24, 2022 beginning at 10:56 a.m. Those Directors present in VEDA's office were: S. Voigt; D. Kurzman; T. Foster; R. Shippee; E. Delhagen (designee for J. Tierney); C. Carpenter; T. Collier; J. Goldstein (designee for L. Kurrle) 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, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; S. Isham, Director of Agricultural Lending; E. Denny, Senior Loan Officer and A. Wright, Executive Assistant and Office Manager. Director T. Gallagher entered the meeting later. 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 May 27, 2022
2. Internal Controls Policy Update

#### Informational Items

3. Staff Authority – CA Loan Approval

<b>Name</b>	<b>Town</b>	<b>Loan Amount</b>
VTJAX LLC	Newport	\$81,000

4. Staff Authority – CA Other Business

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

At 10:58 a.m. T. Gallagher entered the meeting.

Revised Resolution: Gorilla Bars, Inc.

S. Croft indicated that the revised resolution was due to increased fees that were originally waived by SBA and are now back in place.

On a motion by T. Collier, seconded by R. Shippee, the following resolution was approved by those Directors of the Corporation present by a vote of 12 to 0.



**RESOLUTION OF THE BOARD OF DIRECTORS OF**

Vermont 504 Corporation  

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(Development Company Applicant)

**FOR SALE OF A 504 DEBENTURE, LOAN # 18988791-09**

**FOR PURPOSE OF FUNDING A SMALL BUSINESS LOAN TO**

Gorilla Properties, LLC (as Co-Borrower EPC) and Gorilla Bars, Inc. (as Co-Borrower OC) for the benefit of Gorilla Bars, Inc.

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(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 \$226,000.00, 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>	<u>President</u>	_____
Name	Title	Signature

<u>Peter Samson</u>	<u>Vice President</u>	_____
Name	Title	Signature

<u>Sandra Croft</u>	<u>Secretary</u>	_____
Name	Title	Signature

<u>Jennifer Pinsonneault</u>	<u>Assistant Secretary</u>	_____
Name	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 24<sup>th</sup> day of June, 2022, at which a quorum was present and voted, and that such resolution is duly recorded in the minute book of 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 T. Gallagher, seconded by J. Goldstein, the meeting adjourned at 11:02 a.m.

ATTEST:

Vermont 504 Corporation

By:  \_\_\_\_\_  
Sandra Croft, Secretary

VERMONT SMALL BUSINESS DEVELOPMENT CORP.

Minutes

June 24, 2022

A meeting of the Vermont Small Business Development Corp. (VSBDC) convened in VEDA's Montpelier office on June 24, 2022 beginning at 11:02 a.m. Those Directors present in VEDA's office were: S. Voigt; T. Gallagher; D. Kurzman; T. Foster; R. Shippee; E. Delhagen (designee for J. Tierney); C. Carpenter; T. Collier; J. Goldstein (designee for L. Kurrle) 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, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; S. Isham, Director of Agricultural Lending; E. Denny, Senior Loan Officer and A. Wright, Executive Assistant and Office Manager. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Item

1. Minutes of May 27, 2022

Informational Items

2. Staff Authority – Loan Approvals

<b>Name</b>	<b>Town</b>	<b>Loan Amount</b>
Vandalay Industries, LLC (Good Measure Brewing)	Northfield	\$140,000
Illiquid Assets, LLC (Mad River Distillers)	Moretown	\$270,000
50 Chad Land LLC (Rigorous LLC)	Williston	\$256,000
Blake Hill Farm Products, LLC	Windsor	\$132,395
AC Holdings LLC (Cusson's Tax Prep & Accounting LLC)	Morrisville	\$184,000
406 Broad Street, LLC and NEK Redemption Inc. (Lyndonville Redemption Center)	Lyndon	\$226,000
Austin Real Estate, LLC and Austin Enterprise, LLC dba Shelburne Country Store	Shelburne	Loan 1: \$150,000 Loan 2: \$240,000

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Acumen Industries, LLC (New England Automotive)	South Burlington	\$175,000
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3. Staff Authority – Other Business

On a motion by T. Collier, seconded by T. Gallagher, the Minutes of May 27, 2022 Meeting were approved as presented by those Directors of the Corporation present by a vote of 12 to 0.

T. Collier inquired about an overview of a particular borrower as well as the beverage container redemption system. E. Denny answered questions to T. Collier’s satisfaction. S. Buckley noted that the beverage container redemption system bill, H.175, did not pass during the legislative session.

There being no other business to properly come before the Corporation, on a motion by J. Goldstein, seconded by D. Kurzman, the meeting adjourned at 11:08 a.m.

ATTEST:

Vermont Small Business Development Corp.

By:   
Sandra Croft, Secretary