

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

August 26, 2022

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on August 26, 2022, beginning at 9:30 a.m. Members present in VEDA's office were: S. Voigt, Chair; T. Foster; R. Shippee; K. Hale; J. Goldstein (designee for L. Kurrle) and E. Delhagen (designee for J. Tierney). Members present via teleconferencing were: A. Eastman (designee for A. Tebbetts); B. Pearce; T. Gallagher and T. Collier. 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; C. Houchens, Chief Risk and Resource Officer; S. Croft, Deputy Director of Commercial Lending; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; Senior Loan Officers: M. Dussault and E. Denny, and A. Wright, Executive Assistant and Office Manager. Staff joining the meeting via teleconferencing was: J. Shackman, Senior Commercial Credit Analyst. Those Members present constituted a quorum.

CEO's Report

C. Polhemus opened her report noting she is looking forward to a high level of engagement at September's Strategic Planning meeting.

Next, C. Polhemus reminded Members of the Annual Meeting scheduled for October. Discussion ensued regarding possible guest speakers, borrow participation and capacity of the event.

C. Polhemus provided an update on the Forgivable Loan Program noting negotiations are complete and the final written agreement is in process. The Program is anticipated to launch September 1.

C. Polhemus continued informing Members that funding for SSBCI has been received, reporting requirements are in process with input from the State, and consultations with legal counsel specializing in venture capital is underway.

C. Polhemus noted the active search to fill current Board vacancies, where geographic representation is needed and areas of expertise that would be highly desirable. S. Voigt encouraged Members to continue to forward possible candidates to C. Polhemus.

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C. Polhemus closed her report sharing details of VEDA’s annual Staff Appreciation Day and the Middlebury Open House that were held in August.

Member Area Review

J. Goldstein discussed the many Covid economic recovery programs underway or soon to be launched. She has been visiting many areas of the state and hearing from businesses and community leaders. One recurring challenge is the lack of available and ready to build (with infrastructure in place) commercial sites. Another common theme is lack of housing for businesses recruiting labor that need to relocate. Discussions are on-going with the many stakeholders to address the employee housing shortage.

Next, J. Goldstein described Elevate Vermont, a technology based economic development program designed to grow Vermont’s technology business sector through technical and research assistance.

Consent Agenda

Approval Item

1. Minutes of July 29, 2022
2. Commercial Loan Review Report

Informational Items

3. Staff Authority – Other Business
4. Staff Authority – Other Affiliate Programs – Other Business
5. Staff Authority – Loan Denial

On a motion by J. Goldstein seconded by T. Collier, the Minutes of the July 29, 2022 VEDA meeting and the Commercial Loan Review Report were approved by those Members of the Authority present by a vote of 8 to 0 with the Chair and T. Collier abstaining.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through July 31, 2022 of \$234.2 thousand was favorable to budget by \$110.5 thousand. Net Interest Income of \$560.1 thousand was unfavorable to budget

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by \$57.9 thousand. Other Income of \$45.9 thousand was unfavorable to budget by \$22.9 thousand.

At 10:41 a.m. A. Wood left the meeting for the remainder of the day.

Election of Treasurer

S. Voigt nominated K. Hale to serve as Treasurer for a term ending October 27, 2022.

On a motion by T. Foster, seconded by J. Goldstein, the following resolution was approved by those Members of the Authority present by a vote of 9 to 0 with the Chair abstaining.

Resolution

BE IT RESOLVED, that the following officer be and hereby are elected for a term ending October 27, 2022:

Treasurer: Karyn Hale

Renewal of Interfund Lending

T. Richardson explained Staff is recommending the Members approve to extend the maturity of the Line of Credit (LOC) loan from VEDA/Vermont Job Fund (VJF) to Vermont Agricultural Credit Corporation (VACC) from September 30, 2022 to September 30, 2025 at the current amount of \$80 million. T. Richardson continued, noting Staff is recommending the Members extend the maturity of the LOC from VEDA/VJF to Vermont Small Business Development Corp. (VSBDC) and the LOC from VEDA/VJF to Vermont 504 Corporation (VT504) from September 30, 2022 to September 30, 2025.

On a motion by K. Hale, seconded by B. Pearce, the following resolution was approved by those Members of the Authority present by a vote of 9 to 0 with the Chair abstaining.

Inter-Fund Borrowing
Resolution

RESOLVED, that the Vermont Economic Development Authority (the “Authority”) hereby approves the term extension to September 30, 2025 for a Line of Credit Loan Facility with Vermont Agricultural Credit Corporation (“VACC”) in an amount not to exceed \$80,000,000 pursuant to 10 V.S.A. Chapter 12, Section 234(c); and

BE IT FURTHER RESOLVED, that the interest rate, terms, conditions and collateral to be pledged for the facility will be those approved by the Members of the Authority and agreed to by the Directors of the VACC.

RESOLVED, that the Vermont Economic Development Authority (the “Authority”) hereby approves the term extension to September 30, 2025 for a Line of Credit Loan Facility with Vermont Small Business Development Corporation (“VSBDC”) in an amount not to exceed \$20,000,000 pursuant to 10 V.S.A. Chapter 12, Section 234(d); and

BE IT FURTHER RESOLVED, that the interest rate, terms, conditions and collateral to be pledged for the facility will be those approved by the Members of the Authority and agreed to by the Directors of the VSBDC

RESOLVED, that the Vermont Economic Development Authority (the “Authority”) hereby approves the term extension to September 30, 2025 for a Line of Credit Loan Facility with Vermont 504 Corporation (“VT504”) in an amount not to exceed \$5,000,000 pursuant to 10 V.S.A. Chapter 12, Section 234(e); and

BE IT FURTHER RESOLVED, that the interest rate, terms, conditions and collateral to be pledged for the facility will be those approved by the Members of the Authority and agreed to by the Directors of the VT504.

O.M. Fisher Home, Incorporated (The Gary Residence) – Montpelier – Subchapter 4 Final – \$9,800,000

M. Dussault explained O.M. Fisher Home, Incorporated of Montpelier is requesting final approval of an up to \$9,800,000 Subchapter 4 tax exempt revenue bond. The bond will be

secured by a first mortgage on two properties owned by O.M. Fisher, first security interest in personal property, fixtures, furnishings and equipment.

On a motion by T. Collier, seconded by J. Goldstein, the above Subchapter 4 Final request was approved by those Members of the Authority present by a vote of 9 to 0 with the Chair abstaining.

Resolution

A Resolution Authorizing the Issuance and Sale of up to \$9,800,000 of the Vermont Economic Development Authority Revenue Bond (O.M. Fisher Home, Incorporated, Series A) (the “Bonds”), Approving the Form of Loan and Security Agreement among the Vermont Economic Development Authority (the “Authority”), O.M. Fisher Home, Incorporated, a Vermont 501(c)(3) corporation (the “Borrower”), and Northfield Savings Bank, as Bondowner (the “Bondowner”), and other Matters.

BE IT RESOLVED BY THE VERMONT ECONOMIC DEVELOPMENT

AUTHORITY AS FOLLOWS:

1. Based upon the information and documentation submitted to the Authority relating to the proposed financing and refinancing of a project consisting of (1) the refinancing of (a) an existing bank loan that financed the construction of Westview Meadows, located at 171 Westview Meadows Road, a continuous care facility for senior citizens consisting of 36 independent and 16 residential care apartments, including common living, dining, activity and recreational areas, with administrative areas and a residential parking lot (the “Westview Meadows Construction Project”); and (b) an existing bank loan that financed renovations at the Westview Meadows Construction Project, which included redesigning the lobby to provide a larger meeting area for residents, renovating offices and paving the driveway and parking lot; (2) financing for the construction of a new 15-unit, 18-bed memory care clinic and certain related renovations at The Gary Residence, located at 149 Main Street; and (3) payment of the costs of issuance and other common costs of the Bonds, located in the City of Montpelier, Vermont (collectively, the “Project”) for the benefit of the Borrower, including the proposed form of Loan and Security Agreement among the Authority on behalf of the State of Vermont (the “State”), the Borrower and the Bondowner dated as of September 1, 2022 (the “Agreement”), and the most recent financial statements of the Borrower, and after giving consideration to the factors enumerated in Section 253(d) of Chapter 12 of Title 10 of the Vermont Statutes Annotated, as amended (the “Act”), the Authority hereby makes the following findings:

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- (a) the Project and its proposed financing are feasible;
 - (b) the acquisition, improvement and operation of the Project will create or preserve employment opportunities directly or indirectly within the State;

 - (c) the Project consist of property of a type which may be financed under Subchapter 4 of the Act;

 - (d) the Borrower has the skills and financial resources necessary to operate the Project successfully;

 - (e) the Agreement contains provisions such that under no circumstances is the Authority or the State obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the facilities except from bond proceeds or from funds received under the Agreement, exclusive of funds received thereunder by the Authority or the State for their own use;

 - (f) the Project plans comply with all applicable environmental, zoning, planning, and sanitary laws and regulations of the City of Montpelier and of the State;

 - (g) the Agreement does not purport to create any debt of the Authority or the State with respect to the facilities, other than a special obligation of the Authority under the Act;

 - (h) the proposed financing of the Project by the Authority and the proposed operation and use of the facility will preserve or increase the prosperity of the City of Montpelier and the State, and will promote the general welfare of citizens of the State; and

 - (i) the Project satisfactorily meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under Section 280b of the Act.
2. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer of the Authority, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is authorized on behalf of the Authority to execute and deliver the Agreement substantially in the form presented to this meeting, which form is hereby approved subject to such changes as may be approved by the signing officer as evidenced by his/her execution of the Agreement.

 3. The Chairman or Vice Chairman and the Chief Executive Officer or Treasurer of the Authority are authorized to issue and sell to Northfield Savings Bank, as Bondowner, not exceeding \$9,800,000 of its Revenue Bond (O.M. Fisher Home, Incorporated Issue, Series A) (the “Bond”), substantially in the form set forth in the Agreement authorized above, subject to such changes as may be approved by them as evidenced by their execution of the Bond.

 4. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer of the Authority or in the event of their absence, illness or other inability to act, any Member of the Authority

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whom the Chairman or Vice Chairman may designate, is hereby authorized to fix the date and place for sale of the Bond to the Bondowner.

5. The Northfield Savings Bank is hereby designated as trustee, paying agent and registrar for the Bond. The principal of and redemption premium, if any, and interest on the Bond shall be payable as provided in the Agreement.
6. The Bond shall not be issued by the Authority until the Authority receives the approval of the Governor of the State or his designee and the State Treasurer as required by Section 254 of the Act.
7. In lieu of repeating the terms and provisions of the Agreement, they are incorporated herein by reference, and this Resolution shall be deemed to set forth all such terms and provisions to the extent that such terms and provisions may be set forth or are required to be set forth in this Resolution.
8. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is hereby authorized to execute and deliver any other documents and instruments necessary or convenient in connection with the financing and to do all acts and things necessary to carry out the financing and the Project in accordance with the Agreement and otherwise to effectuate the purposes of this Resolution.
9. This Resolution shall take effect immediately.

There being no other business to properly come before the Authority, on a motion by R. Shippee, seconded by T. Collier, the meeting adjourned at 10:34 a.m.

ATTEST:

Vermont Economic Development Authority

By: *Cassandra F. Polhemus*
Cassandra F. Polhemus, Chief Executive Officer