

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Meeting Minutes

October 28, 2022

A meeting of the Vermont Economic Development Authority (VEDA) convened at The Essex Resort & Spa, Essex Junction, Vermont on October 28, 2022 beginning at 9:05 a.m. Those Members of the Authority present were: A. Eastman (designee for A. Tebbetts); C. Carpenter; K. Hale; K. Bourgeois; P. Elwell; R. Shippee; T. Foster and T. Gallagher. Members present via video conferencing were: S. Voigt, Chair and E. Delhagen (designee for J. Tierney). Staff members present 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; J. Emens-Butler, Director of Closing; A. Wood, Deputy Director of Agricultural Lending; S. Croft, Deputy Director of Commercial Lending; Senior Commercial Loan Officers: M. Dussault and S. Buckley, A. Krone, Senior Commercial Credit Analyst and A. Wright, Executive Assistant and Office Manager. Member T. Collier joined the meeting later. Those Members present constituted a quorum.

Welcome New Members

C. Polhemus welcomed VEDA's recently appointed Members, K. Bourgeois and P. Elwell.

CEO's Report

C. Polhemus noted the time-consuming process of the Forgivable Loan Program and the appreciation of the technical assistance providers. The application period for priority business sectors was extended to November 1st, at which time non-priority sectors may apply.

At 9:10 a.m. T. Collier joined the meeting.

Next, C. Polhemus indicated that S. Buckley had just attended the Renewable Energy Vermont (REV) Conference. S. Buckley noted the focus has been on the \$27 billion allocated to the Green House Gas Reduction Fund administered by the Environmental Protection Agency.

VEDA Board Meeting – October 28, 2022

C. Polhemus indicated she and S. Croft met with regional development corporations (RDC's) regarding industrial space, and lack thereof, as well as space that is ready for a business that wants to locate/relocate in Vermont. With each RDC having different needs, discussions ensued on how and where VEDA can assist when opportunities arise.

C. Polhemus welcomed A. Krone as a Senior Commercial Credit Analyst, noting he has been in the lending arena and economic development field for years.

C. Polhemus indicated that with the assistance of a consulting firm, the VEDA.org website will be in the process of an upgrade. Pages will be organized for easier navigation and to authentically make the site the best it can be.

C. Polhemus closed her report noting the FY2022 audit report is expected in late November.

Consent Agenda

Approval Items:

1. Minutes of September 30, 2022 Meeting

Informational Items:

2. Vergennes Village Project
3. Loan Review Quarterly Update
4. Board Loan Committee – Approvals

Name	Town	Program	Loan Amount
Mascoma Bank LC1 Owner Stowe VT LLC Golden Eagle Resort	Stowe	Subchapter 5 Participation	\$3,000,000
Ayushi, LLC dba Delta Hotel Burlington	South Burlington	Subchapter 5	\$3,000,000

5. Staff Authority - Loan Approvals

Name	Town	Program	Loan Amount
Burlington Beer Company	Williston	Subchapter 5	\$177,000
Wilmington Realty Holdings LLC WHVT Hotel LLC DBA The White House Inn)	Wilmington	Subchapter 5	\$801,600

6. Staff Authority – Other Business
7. Staff Authority – Other Affiliate Programs – Other Business

8. Forgivable Loan Program Approvals & Denials

Name	Town	Program	Loan Amount
Uncommon Coffee LLC	Essex Junction	FLP	\$108,499

On a motion by T. Collier, seconded by A. Eastman, the Minutes of September 30, 2022 meeting were approved as presented by those Members present by a vote of 10 to 0 with the Chair abstaining.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through September 30, 2022 of \$519.6 thousand was favorable to budget by \$254.3 thousand. Net Interest Income of \$1.665 million was unfavorable to budget by \$228.8 thousand. Other Income of \$186 thousand was unfavorable to budget by \$99.8 thousand.

Credit Quality Report

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

Credit Risk Classification Report - 1st Quarter FY2023

Staff's Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 1st quarter of fiscal 2023 (ended September 30, 2022) included recommended loan loss reserves in the amount of \$1,475.3 million, reflecting a \$301 thousand increase from the prior quarter.

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

DeJames Hospitality, LLC dba The Inn at the Round Barn Farm – Waitsfield – FLP - \$149,079

M. Dussault explained DeJames Hospitality, LLC dba The Inn at the Round Barn Farm is requesting a \$149,079 Forgivable Loan Program loan to support on-going operations which were significantly impacted in March 2020 when forced to closed by order of the State of Vermont and in late 2020 when gathering size was limited. Additionally, in 2022, the Inn continues to be plagued with supply chain issues, staggering price increases, and staff shortage which has caused the Inn to curtail its operations. The request is presented to the Board for approval due to the aggregate exposure to the borrower.

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

NEK Community Broadband – St. Johnsbury – Sub 5 & BBLP - \$5,000,000

S. Buckley explained NEK Community Broadband is requesting a \$4,000,000 Broadband Loan Program loan and a \$1,000,000 Subchapter 5 loan to build out a 1,347 mile fiber network which will deliver high speed internet to its subscribers. The loan will be secured by a security interest in all fiber assets, networking equipment, and any other hardware necessary to operate NEK Broadband's network located in Essex County as well as the town of Holland, Morgan, Charleston, Westmore, and Kirby. The loans will be secured by collateral assignments of all contracts and lease agreements necessary for NEK Broadband to conduct business within the aforementioned areas.

After discussion regarding the build-out of fiber, last mile/middle mile broadband access, and the USDA ReConnect Grant timing, on a motion by T. Collier, seconded by R. Shippee, the loan request was approved by those Members of the Authority present by a vote of 10 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

VEDA Board Meeting – October 28, 2022

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.

There being no other business to come before the Authority, on a motion by T. Collier, seconded by R. Shippee, the meeting adjourned at 10:09 a.m.

ATTEST:

Vermont Economic Development Authority

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

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

October 28, 2022

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at The Essex Resort & Spa, Essex Junction, Vermont on October 28, 2022, beginning at 10:10 a.m. Directors present were: A. Eastman (designee for A. Tebbetts); C. Carpenter; K. Hale; K. Bourgeois; P. Elwell; R. Shippee; T. Foster; T. Gallagher and T. Collier. Directors present via teleconferencing were: S. Voigt, Chair and E. Delhagen (designee for J. Tierney). Staff present were: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Isham, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; S. Croft, Deputy Director of Commercial Lending; A. Wood, Deputy Director of Agricultural Lending; Senior Commercial Loan Officers: S. Buckley and M. Dussault; A. Krone, Senior Commercial Credit Analyst and A. Wright, Executive Assistant and Office Manager. Those Directors present constituted a quorum.

Consent Agenda

Approval Items

1. Minutes of September 30, 2022
2. Election of Officers

Informational Items

3. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Roosterville, LLC; Butler, Casey D. and Butler, Timothy M.	Middlebury	\$125,000
Juna Organics LLC; Wulfkuhle, Daniel F. and Elyse J.	Brandon	\$522,500

4. Staff Authority – Other Business
5. Staff Authority – Loan Denials

VACC Minutes – October 28, 2022

On a motion by T. Collier, seconded by R. Shippee, the Minutes of September 30, 2022 meeting and the following resolution were approved as presented by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Resolution

BE IT RESOLVED, that the following officers be and hereby are elected:

President: Cassandra F. Polhemus
Vice President: Peter F. Samson
Treasurer: Thaddeus G. Richardson
Secretary: Sarah C. Isham
Assistant Secretary: Renée Grzankowski
Jennifer Emens-Butler
Elizabeth Russell
Jennifer Pinsonneault

Agricultural Update

A. Eastman provided Members with an update on the Future of Agriculture Commission, on-farm milk storage and handling, and the Dairy Business Innovation Center’s partnership with Efficiency Vermont. A. Eastman continued her update on the work with producers of glyphosate and phosphorous to potentially turn those type of products green.

Credit Risk Classification Report - 1st Quarter FY2023

P. Samson reviewed Staff’s Credit Risk Classification Report recommendations for the VACC loan portfolio for the 1st quarter of fiscal 2023 (ended September 30, 2022) which included loan loss reserves in the amount of \$1,263.8 million, reflecting a \$51.3 thousand decrease from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by K. Hale, seconded by C. Carpenter, the recommendation was approved by those Directors of the Corporation by a vote of 10 to 0 with the Chair abstaining.

VACC Minutes – October 28, 2022

There being no other business to properly come before the Corporation, on a motion by T. Collier, seconded by T. Foster, the meeting adjourned at 10:32 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

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

VERMONT 504 CORPORATION

Minutes

October 28, 2022

A meeting of the Vermont 504 Corporation convened at The Essex Resort & Spa, Essex Junction, Vermont on October 29, 2022 beginning at 10:33 a.m. Those Directors present were: A. Eastman (designee for A. Tebbetts); C. Carpenter; K. Hale; K. Bourgeois; P. Elwell; R. Shippee; T. Foster; T. Gallagher and T. Collier. Directors present via teleconferencing were: S. Voigt, Chair and E. Delhagen (designee for J. Tierney). Staff present were: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistance Secretary; C. Houchens, Chief Risk and Resource Office; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; Senior Commercial Loan Officers: S. Buckley and M. Dussault; A. Krone, Senior Commercial Credit Analyst and A. Wright, Executive Assistant and Officer Manager. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Items

1. Minutes of September 30, 2022 Meeting
2. Election of Officers

Informational Items

3. Loan Review Quarterly Update
4. Staff Authority – CA Loan Approval

Name	Town	Loan Amount
Nusantara, Inc.	Essex Junction	\$50,000

On a motion by T. Collier, seconded by T. Gallagher, the Minutes of September 30, 2022 meeting and the following resolution were approved as presented by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Resolution

BE IT RESOLVED, that the following Chair and Vice Chair be and hereby are elected:

Chair: Steven Voigt
Vice Chair: Theodore Foster

BE IT RESOLVED, that the following officers be and hereby are elected:

President: Cassandra F. Polhemus
Vice President: Peter F. Samson
Treasurer: Thaddeus G. Richardson
Secretary: Sandra Croft
Assistant Secretary: Renée Grzankowski
Jennifer Emens-Butler
Elizabeth Russell
Jennifer Pinsonneault

Credit Risk Classification Report – 1st Quarter FY2023

P. Samson reviewed Staff's Credit Risk Classification Report recommendations for the Vermont 504 loan portfolio for the 1st quarter of fiscal 2023 (ended September 30, 2002) which includes loan loss reserves in the amount of \$148.9 thousand, reflecting a \$6.1 thousand decrease from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by C. Carpenter, seconded by T. Foster, the recommendation was approved by those Directors of the Corporation by a vote of 10 to 0 with the Chair abstaining.

Other Business

C. Polhemus welcomed new Directors P. Elwell, K. Bourgeois, and D. Marvin (not present at meeting). Next, C Polhemus informed Directors that J. Goldstein and A. Eastman had been appointed to the 504 Loan Committee, and K. Hale was appointed Treasurer of the Vermont Economic Development Authority.

VT 504 Minutes – October 28, 2022

There being no other business to properly come before the Corporation, on a motion by T. Gallagher, seconded by T. Foster, the meeting adjourned at 10:35 a.m.

ATTEST:

Vermont 504 Corporation

By: 

Sandra Croft, Secretary

By: 

Vermont 504 Corporation, Director

VERMONT SMALL BUSINESS DEVELOPMENT CORP.

Minutes

October 28, 2022

A meeting of the Vermont Small Business Development Corp. (VSBDC) convened at The Essex Resort & Spa, Essex Junction, Vermont on October 28, 2022 beginning at 10:36 a.m. Those Directors present were: A. Eastman (designee for A. Tebbetts); C. Carpenter; K. Hale; K. Bourgeois; P. Elwell; R. Shippee, T. Foster; T. Gallagher and T. Collier. Director present via teleconferencing were: S. Voigt, Chair and E. Delhagen (designee for J. Tierney). Staff present were: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; C. Houchens; Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; Senior Commercial Loan Officers: S. Buckley and M. Dussault; A. Krone, Senior Commercial Credit Analyst 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 September 30, 2022 Meeting
2. Election of Officers

Informational Items

3. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Saltusmare, LLC (Old Stagecoach Inn)	Waterbury	\$457,500
N.U. Realty, LLC (M&M Beverage)	Hardwick	\$400,000
Huskies Kapital LLC (Vermont Lake Monsters)	Burlington	\$500,000

4. Staff Authority – Other Business
5. Staff Authority – Loan Denial

VSBD Minutes – October 28, 2022

On a motion by T. Collier, seconded by K. Hale, the Minutes of September 30, 2022 Meeting and the following resolution were approved as presented by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Resolution

BE IT RESOLVED, that the following officers be and hereby are elected:

President: Cassandra F. Polhemus
Vice President: Peter F. Samson
Treasurer: Thaddeus G. Richardson
Secretary: Sandra Croft
Assistant Secretary: Renée Grzankowski
Jennifer Emens-Butler
Elizabeth Russell
Jennifer Pinsonneault

Credit Risk Classification Report – 1st Quarter FY2023

P. Samson reviewed Staff's Credit Risk Classification Report recommendations for the Vermont Small Business Development Corp. for the 1st quarter of fiscal 2023 (ended September 30, 2022) which included loan loss reserves in the amount of \$666.2 thousand, reflecting a 33.9 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by T. Collier, seconded by C. Carpenter, the recommendation was approved by those Directors of the Corporation by a vote of 10 to 0 with the Chair abstaining.

There being no other business to properly come before the Corporation, on a motion by A. Eastman, seconded by K. Hale, the meeting adjourned at 10:42 a.m.

ATTEST: Vermont Small Business Development Corp.

By: 

Sandra Croft, Secretary