

# VERMONT ECONOMIC DEVELOPMENT AUTHORITY

## Minutes

January 27, 2023

A meeting of the Vermont Economic Development Authority (VEDA) convened on January 27, 2023 beginning at 9:30 a.m. Those Members of the Authority present in VEDA's office were: S. Voigt, Chair; C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; M. Pieciak; P. Elwell; T. Foster and T. Gallagher. Members present via teleconferencing were: R. Shippee and A. Eastman (designee for A. Tebbetts). Member joining the meeting later via teleconferencing was: 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; J. Emens-Butler, Director of Closing; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; S. Croft, Deputy Director of Commercial Lending; S. Buckley, Director of Energy & Broadband Lending; E. Denny, Senior Loan Officer and A. Wright, Executive Assistant and Office Manager. Those Members present constituted a quorum.

### Welcome New Member – Vermont State Treasurer Mike Pieciak

S. Voigt welcomed State Treasurer M. Pieciak as a Member.

### CEO's Report

C. Polhemus opened her report welcoming Treasurer Pieciak to the VEDA Board, noting he is already participating in the Greenhouse Gas Reduction Fund initiative with the Public Finance Climate Collaborative by helping to host a webinar on February 13<sup>th</sup>.

Next, C. Polhemus indicated the Forgivable Loan Program continues to have uptake and new applications are being received and processed.

C. Polhemus updated Members that the Senate Committee on Economic Development, Housing and General Affairs has a new Chair, Senator Kesha Ram-Hinsdale.

At 9:38 a.m. T. Collier joined the meeting by phone.

C. Polhemus closed her report announcing a Staff Appreciation Day is planned for February 10<sup>th</sup> at Jay Peak.

Member Area Review

J. Goldstein provided an update on the Governor’s economic development agenda outlined in his budget address, including changes to the Vermont Economic Growth Incentive (VEGI) program, mini TIFFs, Brownfields funding, Regional Development Building Fund, Vermont Housing Improvement Program (VHIP), Vermont Training Program, and assistance to smaller towns to access ARPA monies.

E. Delhagen indicated the Department of Public Service 2023 Annual Energy Report is available on the department’s website.

T. Gallagher noted the new agreement between St. Albans Town and City to share police and water services.

Consent Agenda

Approval Items:

1. Minutes of December 16, 2022
2. Outstanding Loan Review Items – Quarterly Update

Informational Items:

3. Staff Authority – Other Business
4. Staff Authority – Other Affiliate Programs – Other Business
5. Forgivable Loan Program – Approvals

<b>Name</b>	<b>Town</b>	<b>Loan Amount</b>
Dedalus Wine Group, Inc.	Burlington	\$130,222
Tyler and Melanie Webb	Enosburg Falls	\$ 45,043
World Learning Inc.	Brattleboro	\$350,000
Up End This LLC	Johnson	\$121,597
Vitality Mart, LLC	Waterbury	\$ 37,207
VT Wood’s Syrup Company/Al Wood	Randolph	\$ 68,292
Reina Trust Building Consultancy, Inc.	Stowe	\$332,437
Robert Lesnikoski DBA Vermont Cranberry Company	Fletcher	\$ 34,584
Glavel, Inc.	Burlington	\$350,000

VEDA Minutes – January 27, 2023

Ice Center of Washington West, Inc.	Waterbury	\$110,617
Corner Rail Fence Co., Inc.	Tunbridge	\$ 44,376
PGS Group LLC DBA Putney General Store	Putney	\$ 28,505
Sunflower Postpartum Care LLC	Springfield	\$ 3,045
MG Coffee Roasting Enterprises LLC	White River Jct.	\$ 74,855
Copy World	Barre	\$ 61,398
Hayden Lee Tanner Jr.	Sutton	\$ 52,358
Three Ladies LLC DBA Albany General Store	Albany	\$ 95,054
Brandon Tanner	Lyndonville	\$ 34,324
Don-Sim Farm Partnership LLP	Sutton	\$179,736
Arrowhead Lodge, LLC	Milton	\$ 15,277
Cochran Inc.	Barre	\$138,735
Millstone Hill, LLC	Websterville	\$ 30,314
Full Stride Inc.	Williston	\$ 58,953
The Innovation Wellspring LLC DBA The Idea Midwife	Waterbury Center	\$ 5,869
Good Steward Tax & Finance Inc.	Middlebury	\$ 66,167
Mike's Tiki Bar, LLC	East Burke	\$ 44,705
Sweet Sound Aquaculture LLC	Charlotte	\$ 17,769
Revolution Racquet and Fitness Club, LLC	Bennington	\$ 37,939
Groennfell Meadery LLC	Saint Albans	\$350,000
89 TAXI LLC	South Burlington	\$ 4,573
Henry Pearl	Danville	\$ 79,869
Yellow Barn, Inc.	Putney	\$329,588
SAC, Incorporated	South Burlington	\$350,000
Milton's Elite Childcare LLC	Milton	\$ 13,490
Green Valley Taxi	Colchester	\$ 3,019
Image Relay Inc.	Burlington	\$350,000
Robert and Sons Lawn Care-Robert Audet	Morrisville	\$ 49,723
Mark Lackley Furniture Maker LLC	Woodstock	\$134,374
Audio Visual Environments LLC	Milton	\$197,607

Lindstrom, Matthew	Danville	\$ 53,376
Winooski Valley Cooperative Market	Plainfield	\$ 17,298
GPMS International, Inc.	Waterbury	\$350,000

On a motion by J. Goldstein, seconded by T. Gallagher, the Minutes of December 16, 2022 and the Outstanding Loan Review Items Quarterly Update were approved by those Members of the Authority present by a vote of 13 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 December 31, 2022 of \$797 thousand was unfavorable to budget by \$35.3 thousand. Net Interest Income of \$3.2 million was unfavorable to budget by \$475.7 thousand. Other income of \$466.5 thousand was unfavorable to budget by \$166.3 thousand.

Credit Quality Report

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

Credit Risk Classification Report – 2<sup>nd</sup> Quarter FY2023

Staff’s Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 2<sup>nd</sup> Quarter of fiscal 2023 (ended December 31, 2022) included recommended loan loss reserves in the amount of \$1,501.7 million, reflecting a \$26,400 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by T. Foster, seconded by K. Hale, the recommendation was approved by those Members of the Authority present by a vote of 13 to 0 with the Chair abstaining.

ALCO Charter Changes

C. Polhemus indicated that the Charter changes being presented are recommended to correspond with the VEDA By-Laws.

After discussion, on a motion by J. Goldstein, seconded by K. Bourgeois, the revised ALCO Charter was approved by those Members of the Authority present by a vote of 13 to 0 with the Chair abstaining.

Loan Committee Charter Changes

After discussion on why a mid-month loan committee was originally formed, on a motion by T. Gallagher, seconded by J. Goldstein, the Loan Committee Charter revision was approved by those Members of the Authority present by a vote of 13 to 0 with the Chair abstaining.

Appointment of Loan Committee Member – Vermont State Treasurer M. Pieciak

On a motion by J. Goldstein, seconded by T. Foster, the recommendation to appoint Michael Pieciak to the Loan Committee was approved by those Members of the Authority present by a vote of 13 to 0 with the chair abstaining.

Loan Presentations:

Essex Resort Holdings LLC DBA The Essex, Vermont's Culinary Resort & Spa – Essex – Subchapter 5 - \$1,000,000

E. Denny explained Essex Resort Holdings LLC is requesting a \$1,000,000 Subchapter 5 loan to construct a new event center at the Essex Resort located at 70 Essex Way in Essex, Vermont. The loan will be secured by Project land and buildings located at 70 Essex Way, Essex, Vermont subject to mortgages with Vermont Federal Credit Union and a security interest in all business assets subject to security interest of Vermont Federal Credit Union.

After discussion regarding borrower's current facilities and benefits of the Project, on a motion by J. Goldstein, seconded by T. Foster, the Subchapter 5 loan was approved by those Members of the Authority present by a vote of 13 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 \$5,000,000, 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 \$6,000,000, 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 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.

BCAF GLC Solar, LLC – St. Albans – Commercial Energy - \$1,051,493

S. Buckley explained BCAF GLC Solar, LLC is requesting a \$1,051,493 Commercial Energy loan for the installation of a 500kW solar array at 1083 Bellevue Carriage Road in St. Albans, Vermont. The loan will be secured by Project machinery, equipment, business assets, collateral assignment of the Act 248 Certificate of Public Good, collateral assignment of the Group Net Metering Agreements with five off takers, collateral assignment of the Engineering, Procurement and Construction Agreement, all contracts involved in constructing, operating, monitoring and maintaining the Project facility, collateral assignment of Borrower's rights under a 20-year land lease agreement with AFB, LLC, Interconnection Agreement with Green Mountain Power and corporate guaranty of GLD.

At 10:44 a.m. D. Marvin left the meeting.

After discussions regarding projected cash flow, the off takers and ability to substitute off takers, and the Borrower’s PPP loans, on a motion by T. Gallagher, seconded by E. Delhagen, the Commercial Energy Loan request was approved by those Members of the Authority present by a vote of 12 to 0 with the Chair abstaining.

At 10:46 D. Marvin reentered the meeting.

Putnam Block Master Tenant, LLC – Bennington – FLP - \$350,000

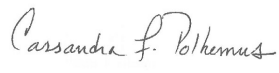
S. Buckley explained Putnam Block Master Tenant, LLC is requesting a \$350,000 Forgivable Loan Program (FLP) loan due to delays in construction, supply chain issues and continued vacancies caused by the pandemic.

After discussions regarding energy upgrades in a previous loan, on a motion by P. Elwell, seconded by J. Goldstein, the FLP loan was approved by a vote of 13 to 0 with the Chair abstaining.

There being no other business to properly come before the Authority, on a motion by J. Goldstein, seconded by K. Bourgeois, the meeting adjourned at 10:53 a.m.

ATTEST:

Vermont Economic Development Authority

By:   
Cassandra F. Polhemus, Chief Executive Officer

# VERMONT AGRICULTURAL CREDIT CORPORATION

## Minutes

January 27, 2023

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at VEDA's office on January 27, 2023, beginning at 10:54 a.m. Directors present were: S. Voigt, Chair; C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; M. Pieciak; P. Elwell; T. Foster and T. Gallagher. Directors present via teleconferencing were: A. Eastman (designee for A. Tebbetts); R. Shippee and T. Collier. 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; C. Houchens, Chief Risk and Resource Officer; S. Buckley, Director of Energy & Broadband Lending; S. Croft, Deputy Director of Commercial Lending; A. Wood, Deputy Director of Agricultural Lending; E. Denny, Senior Commercial Loan Officer and A. Wright, Executive Assistant and Office Manager. Those Directors present constituted a quorum.

### Consent Agenda

#### Approval Item

1. Minutes of December 16, 2022

#### Informational Items

2. Staff Authority – Loan Approvals

<b>Name</b>	<b>Town</b>	<b>Loan Amount</b>
Bourque, Christine A. and Farris, Adam W.	Grand Isle	\$50,000
Boutin, Sarah E.	Newport Center	\$60,000
Good Hands Farm, LLC; Bleakley, Elizabeth S. and Kumar, Nachitket	Windsor	\$125,000 \$ 25,000

3. Staff Authority – Other Business

On a motion by J. Goldstein, seconded by K. Bourgeois, the Minutes of December 16, 2022 were approved by the Directors of the Corporation by a vote of 13 to 0 with the Chair abstaining.



VACC Minutes – January 27, 2023

Agricultural Update

A. Eastman’s provided an update on the Governor’s budget proposal including funding for mid-size ag producers, dairy processing, and the working lands initiative. A. Eastman closed her report noting the retirement of D. Bothfeld, Director of Administrative Services with the State of Vermont.

T. Foster indicated issues that have occurred with some properties in Current Use and how the Current Use Advisory Committee is meeting to discuss resetting current use rates. T. Foster noted town wide reappraisals will occur over the next couple of years.

Credit Risk Classification Report – 2<sup>nd</sup> Quarter FY2023

Staff’s Credit Risk Classification Report recommendation for VACC for the 2<sup>nd</sup> Quarter of fiscal 2023 (ended December 31, 2022) included recommended loan loss reserves in the amount of \$1,357.2 million, reflecting a \$93.4 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by T. Foster, seconded by K. Hale, the recommendation was approved by those Directors of the Corporation present by a vote of 13 to 0 with the Chair abstaining.

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

ATTEST:

Vermont Agricultural Credit Corporation

By: Sarah C. Isham

Sarah C. Isham, Secretary

VERMONT 504 CORPORATION

Minutes

January 27, 2023

A meeting of the Vermont 504 Corporation convened at VEDA's office on January 27, 2023 beginning at 11:12 a.m. Those Directors present were: C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; M. Pieciak; P. Elwell; S. Voigt; T. Foster and T. Gallagher. Directors present via teleconferencing were: A. Eastman (designee for A. Tebbetts); R. Shippee and T. Collier. 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; C. Houchens, Chief Risk and Resource Officer; S. Buckley, Director of Energy & Broadband Lending; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; E. Denny, Senior Loan Officer and A. Wright, Executive Assistant and Office Manager. Directors T. Gallagher, R. Shippee and C. Carpenter have commercial lending experience. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

New Director – Vermont State Treasurer, Mike Pieciak

C. Polhemus welcomed Treasurer Pieciak as Director to the Vermont 504 Corporation.

Consent Agenda

Approval Items

1. Minutes of December 16, 2022
2. Outstanding Loan Review Items – Quarterly Update

Informational Items

3. Vermont 504 Loan Committee – CA Loan Approval

Name	Town	Loan Amount
Mansfield Community Fiber, Inc.	Jericho	\$350,000

4. Staff Authority – CA Other Business

VT 504 Minutes – January 27, 2023

On a motion by J. Goldstein, seconded by T. Foster, the Minutes of the December 16, 2022 Vermont 504 Corporation meeting and the Outstanding Loan Review Items Quarterly Update were approved as presented by those Directors of the Corporation present by a vote of 14 to 0.

Credit Risk Classification Report – 2<sup>nd</sup> Quarter FY2023

Staff's Credit Risk Classification Report recommendation for the VT504 for the 2<sup>nd</sup> Quarter of fiscal 2023 (ended December 31, 2022) included recommended loan loss reserves in the amount of \$148.2 thousand, reflecting a \$5.4 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by T. Gallagher, seconded by T. Collier, the recommendation was approved by those Directors of the Corporation present by a vote of 14 to 0.

SBA 504 Internal Controls Policy Update


C. Houchens provided an update on the SBA 504 Internal Controls and the change for determination of risk rating guidelines.

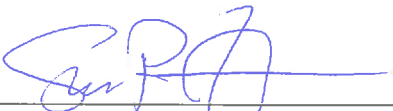
After discussion regarding risk rating guidelines and required documents, on a motion by J. Goldstein, seconded by T. Collier, the SBA 504 Internal Controls Policy Update was approved by those Directors of the Corporation present by a vote of 14 to 0.

There being no other business to properly come before the Corporation, on a motion by J. Goldstein, seconded by K. Bourgeois, the meeting adjourned at 11:28 a.m.

ATTEST:

Vermont 504 Corporation

By:   
Sandra Croft, Secretary

By:   
Vermont 504 Corporation Director

VERMONT SMALL BUSINESS DEVELOPMENT CORP.

Minutes

January 27, 2023

A meeting of the Vermont Small Business Development Corp. (VSBDC) convened on January 27, 2023 beginning at 11:29 a.m. Those Directors present were: C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; M. Pieciak; P. Elwell; S. Voigt; T. Foster and T. Gallagher. Directors present via teleconferencing were: A. Eastman (designee for A. Tebbetts); R. Shippee and T. Collier. 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; C. Houchens, Chief Risk and Resource Officer; S. Buckley, Director of Energy and Broadband Lending; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; E. Denny, Senior Commercial 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 December 16, 2022

Informational Items

2. Staff Authority – Loan Approvals

<b>Name</b>	<b>Town</b>	<b>Loan Amount</b>
Stella’s Salon Plus LLC (TBD) DBA Stella’s Salon Plus	Manchester	\$150,000
Laraz Trading LLC and Lara Trading LLC DBA Zero Point Market	Winooski	\$290,000
Benjamin S. Pfeil and Pfeil Sawmill LLC	Berkshire	\$250,400
108 Blessings LLC DBA Swanson Inn	Waitsfield	\$244,000
GSPT, LLC DBA Swiss Precision Turning	Brattleboro	\$500,000
302 Holdings, LLC (DBA Twin City Family Fun Center)	Berlin	\$500,000

VSBC Minutes – January 27, 2023

On a motion by P. Elwell, seconded by K. Hale, the Minutes of the December 16, 2022 meeting were approved as presented by those Directors of the Corporation present by a vote of 14 to 0.

Credit Risk Classification Report – 2<sup>nd</sup> Quarter FY2023

Staff's Credit Risk Classification Report recommendation for VSBC for the 2<sup>nd</sup> Quarter of fiscal 2023 (ended December 31, 2022) included recommended loan loss reserves in the amount of \$659.8 thousand, reflecting a \$6.4 thousand decrease from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by C. Carpenter, seconded by P. Elwell, the recommendation was approved by those Directors of the Corporation present by a vote of 14 to 0.

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 11:31 a.m.

ATTEST:

Vermont Small Business Development Corp.

By:   
\_\_\_\_\_

Sandra Croft, Secretary