

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

February 24, 2023

A meeting of the Vermont Economic Development Authority (VEDA) convened on February 24, 2023 beginning at 9:37 a.m. Those Members of the Authority present in VEDA's office were: S. Voigt, Chair; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle) and P. Elwell. Members present via teleconferencing were: A. Eastman (designee for A. Tebbetts); K. Hale; K. Bourgeois; R. Shippee; T. Foster and T. Gallagher. Member joining the meeting later was: M. Pieciak. Staff present in VEDA's Montpelier office were: C. Polhemus, Chief Executive Officer; T. Richardson, Chief Financial 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; Loan Officers: M. Dussault, E. Howrigan, E. Denny; Credit Analysts: J. Harris and J. Shackman; and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing were: C. Houchens, Chief Risk and Resource Officer; Loan Officers: E. Hall and C. Leonard. Member of the public present in VEDA's Montpelier office was: B. Lambek, Partner of Main Street Law, LLP. Those Members present constituted a quorum.

CEO's Report

C. Polhemus opened her report requesting that the agenda item pertaining to a letter addressed to The VEDA Board of Directors from a member of the public regarding SSBCI Venture Capital Program be moved and discussed before the presentation of her CEO report.

Letter regarding SSBCI Venture Capital Program

C. Polhemus stated a letter dated January 31, 2023 from Dr. Edward Egan was received at VEDA's office and shared with the Members of the Authority and VEDA's legal counsel, Bernie Lambek. Dr. Egan's letter expresses his concerns over the \$28 million in SSBCI funds allocated by the State for venture capital investments.

At 9:40 a.m. M. Pieciak joined the meeting in person.

Discussion ensued regarding the application process for the SSBCI funding, compliance with US Treasury rules and the allocation agreement between Treasury and VEDA. Members of the Authority unanimously agreed that a meeting with a small group of VEDA Members and VEDA's CEO be offered to Dr. Egan; S. Voigt and J. Goldstein offered to meet with Dr. Egan. C. Polhemus will schedule this meeting. Members also recommended that VEDA Management obtain a written review and opinion from counsel regarding VEDA's compliance with US Treasury's regulations and requirements with the SSBCI program. M. Pieciak added that consideration be given to obtaining an economic study or analysis on venture capital investments in Vermont to compare to Dr. Egan's assertions. C. Polhemus noted the study might be time consuming and recommended to not delay meeting with Dr. Egan.

At 10:16 a.m. B. Lambek exited the meeting for the remainder of the day.

CEO's Report

C. Polhemus provided an update on the VEDA Forgivable Loan Program (FLP), noting funding for this program is nearly exhausted. An appreciation to the VEDA staff for their work on this program was noted by C. Polhemus and the Members.

Next, C. Polhemus shared the successful Public Finance Climate Collaborative (PFCC) webinar hosted by Treasurer Pieciak last week as well as the EPA's initial guidance on the Greenhouse Gas Reduction Fund (GGRF).

C. Polhemus closed her report noting the locations for the Strategic Planning Retreat in September, and the Annual Meeting in October.

Member Area Review

J. Goldstein provided an update on the Vermont Employment Growth Incentive, the presentation to House Appropriations regarding Brownfields, and the Vermont Training Program.

Consent Agenda

Approval Item:

1. Minutes of January 27, 2023

Informational Items:

2. Staff Authority – Loan Approval

Name	Town	Program	Loan Amount
Vermont Wood Pellet Company, LLC	North Clarendon	Com Energy	\$145,600

3. Staff Authority – Other Business

4. Forgivable Loan Program – Approvals

Name	Town	Loan Amount
Allendale Farm LLC	Vergennes	\$60,375
Daniel Royer	Newport	\$25,079
Jasper Forest LLC	Ludlow	\$17,542
Localvore Inc.	Burlington	\$211,022
T-Golden Tax Service Inc.	Colchester	\$6,029
Honey Field Farm	Norwich	\$45,610
Cannavida LLC	Montpelier	\$31,184
Sawyer Made, LLC	East Calais	\$68,928
Kristen Strong DBA 108 Chelsea Station Restaurant	South Royalton	\$9,359
Dr. Christopher Wisniewski DBA NEK Dental	Glover	\$8,040
Stable Connections, Inc.	Guildhall	\$19,230
Isabelle’s Lighting Inc.	Barre	\$50,746
Aqua Vitea LLC	Middlebury	\$350,000
Sunrise Orchards, Inc.	Cornwall	\$29,817
Emily Amanna DBA Wild Shepherd Farm	Athens	\$10,678
Kimberly Evans DBA Nourish Radiance	S. Burlington	\$25,930
Dale Aines	Pawlet	\$3,067
Kay 5 Designs, LLC DBA Institches Embroidery & More	Bristol	\$28,539
Petals Floral Design	White River Jct	\$5,940
Vermont Soy, LLC	Hardwick	\$61,935
Garden Path Elder Living, Inc.	Brattleboro	\$160,667
Shepard Maple Production, LLC	Lincoln	\$144,725
Hidden Mountain Maple	Lincoln	\$7,876
Douglas Lilley	Plainfield	\$34,224

On a motion by J. Goldstein, seconded by P. Elwell, the Minutes of January 27, 2023 were approved by those Members of the Authority present by a vote of 11 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 January 31, 2023 of \$911.1 thousand was unfavorable to budget by \$109.7 thousand. Net Interest Income of \$3.7 million was unfavorable to budget by \$571.9 thousand. Other income of \$611.1 thousand was unfavorable to budget by \$137.3 thousand.

Loan Presentations:

Bellevue RNG, LLC – Berkshire – Subchapter 4 Inducement - \$16,000,000

S. Buckley explained Bellevue RNG, LLC is requesting a \$16,000,000 Subchapter 4 Bond Inducement for the acquisition, construction and furnishing of a renewable gas production facility in Berkshire, Vermont.

After discussion regarding the existing digester, the requirement for the project to go through the Public Service Board, and the bond investment split, on a motion by M. Pieciak, seconded by J. Goldstein, the Subchapter 4 Inducement loan request was approved by those Members of the Authority present by a vote of 9 to 0 with T. Foster, K. Bourgeois and the Chair abstaining.

Bellevue RNG, LLC
Inducement Resolution

WHEREAS, the State of Vermont, acting by and through the Vermont Economic Development Authority (the “Authority”), is empowered to assist in the financing of industrial development facilities through the issuance of industrial revenue bonds pursuant to Title 10 V.S.A., Chapter 12 (the “Act”); and

WHEREAS, for purposes of Subchapter 4 of the Act, facilities for the conduct of any trade or business which is eligible for tax-exempt financing under the United States Internal Revenue Code of 1986, as amended (the “Code”) are deemed to be eligible facilities; and

WHEREAS, Bellevue RNG, LLC (hereinafter with any parent corporation, subsidiary or other business affiliate referred to as the “Company”) has proposed the financing of certain

industrial facilities in the Town of Berkshire, Vermont described in the Company’s application to the Authority for financing and consisting generally of the following (the “Project”):

The acquisition, construction and furnishing of a renewable natural gas production facility to be located on or in proximity with a dairy farm located in the Town of Berkshire, Vermont, which facility will consist of two anaerobic digesters, gas upgrading equipment and other related equipment.

WHEREAS, the estimated cost of the Project is approximately \$16,000,000, and the Company has requested that the Authority issue its industrial development revenue bonds under the Act at one time or from time to time in an aggregate principal amount not to exceed \$16,000,000 in order to finance the Project in whole or in part, such bonds to be secured by the obligation of the Company to pay the debt service thereon, and the interest on such bonds to be exempt from federal income taxes by virtue of the provisions of Section 103 and 141-150 of the Code and the regulations promulgated thereunder (the “Regulations”), as they may now or hereafter exist.

NOW THEREFORE BE IT RESOLVED, THAT:

1. Purpose of Resolution. This resolution is intended as affirmative official action and official intent, as contemplated by the Code and Regulations, toward the issuance of industrial development revenue bonds under the Act to finance the Project and as a declaration of official intent for the reimbursement of Project costs within the meaning of Section 1.150-2 of the Regulations.
2. Eligibility for Financing. Based upon the information contained in the Company’s application to the Authority for financing, the Project appears to be eligible for financing under the Act. Issuance of the bonds is subject to all requirements of the Act and to the Authority being able to make the findings required by the Act, including a determination by the Authority regarding the priority of financing the Project in relation to the priority for extending financing to other industrial development facilities for which application has been made to the Authority or may be made in the future. Such bonds shall not constitute a general obligation of the State or the Authority nor a pledge of the faith and credit of the State or the Authority but shall be payable solely from the revenues pledged for their payment in accordance with the Act.
3. Further Action Required. This resolution is not a contract or final agreement to issue bonds. The Authority will consider whether to approve the issuance of bonds when the terms of the financing have been finalized and the Authority is in a position to determine that this project should be given priority for the issuance of tax-exempt revenue bonds pursuant to guidelines established by the Authority and by statute.
4. Effective date. This resolution shall take effect upon its adoption.

Newly Formed Company TBD – (Lamoille Valley Transportation) – Middlesex – Subchapter 5 - \$3,000,000

M. Dussault explained Lamoille Valley Transportation’s newly formed company is requesting a \$3,000,000 Subchapter 5 loan to construct a 20,800 square foot commercial building at 22 Knapp Road in Middlesex, Vermont. The loan will be secured by a second mortgage on Project land and buildings located at 22 Knapp Road, Middlesex, Vermont and 643 VT Route 15W, Morrisville, Vermont, a second security interest in all business assets of Lamoille Valley Transportation and Peak Touring, assignment of all building contracts during construction and assignment of lease between to newly formed company and Lamoille Valley Transportation and Peak Touring.

After discussion regarding the borrower’s consideration of electric vehicles and charging stations, and on-site training towards a commercial driver’s license which is now only available out of state, on a motion by P. Elwell, seconded by T. Foster, the Subchapter 5 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 \$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.

Joneslan Farm, LLC – Hyde Park – FLP - \$99,273

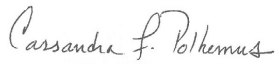
E. Hall explained Joneslan Farm, LLC is requesting a \$99,273 Forgivable Loan Program (FLP) loan due to lingering financial stress brought on by delays, lack of labor, and increased operating expenses caused by the COVID-19 pandemic.

After discussion regarding the farms transition during the pandemic, on a motion by J. Goldstein, seconded by A. Eastman, the FLP loan request was approved by a vote of 11 to 0 with the Chair abstaining.

There being no other business to properly come before the Authority, on a motion by D. Marvin, seconded by M. Pieciak, the meeting adjourned at 11:11 a.m.

ATTEST:

Vermont Economic Development Authority

By: 
Cassandra F. Polhemus, Chief Executive Officer

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

February 24, 2023

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at VEDA's office on February 24, 2023, beginning at 11:12 a.m. Directors present were: S. Voigt, Chair; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); M. Picciak and P. Elwell. Directors present via teleconferencing were: A. Eastman (designee for A. Tebbetts); K. Hale; K. Bourgeois; R. Shippee; T. Foster and T. Gallagher. Staff present in VEDA's Montpelier office were: C. Polhemus, President; T. Richardson, Treasurer; S. Isham, Secretary; J. Emens-Butler, Assistant Secretary; S. Croft, Deputy Director of Commercial Lending; S. Buckley, Director of Energy & Broadband Lending; A. Wood, Deputy Director of Agricultural Lending; Loan Officers: E. Howrigan; E. Denny M. Dussault; Credit Analysts: J. Harris and J. Shackman; and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing were: C. Houchens, Chief Risk and Resource Officer; Loan Officers: C. Leonard and E. Hall. Those Directors present constituted a quorum.

Consent Agenda

Approval Item

1. Minutes of January 27, 2023

Informational Item:

2. Staff Authority – Other Business

On a motion by P. Elwell, seconded by A. Eastman, the Minutes of January 27, 2023 were approved by the Directors of the Corporation by a vote of 11 to 0 with the Chair abstaining.

Agricultural Update

A. Eastman provided a legislative update noting a \$9 million request for organic dairy farm relief was removed from budget adjustments, although conversation is ongoing. The pesticide rule made it through Legislative Committee on Administrative Rules (LCAR).

Loan Presentation:

Red Wagon Plants Inc. – Hinesburg – Farm Ownership Loan - \$660,000 – Operating Loan - \$130,000

E. Howrigan explained Red Wagon Plants Inc. is requesting \$790,000 in VACC financing to partially fund the construction of site upgrades and an office and processing building and a policy exception for loan to values that exceed VACC policy. The loans will be secured by second and third priority mortgage liens on 30.31+/- and 5.05+/- acres of real estate on Shelburne Falls Road in Hinesburg, Vermont, third and fourth priority mortgage liens on 0.25+/- acres of real estate located at 14 Comfort Hill Road in Vergennes, Vermont, and a second and third priority security interest in all of the Borrower's machinery, equipment and business assets.

After discussion regarding succession planning and SSBCI eligibility, on a motion by D. Marvin, seconded by T. Foster, the loans were approved by those Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.

Other Business

J. Goldstein asked if Red Wagon Plants considered the Community Recovery and Revitalization Grant Program. Agriculture is included in the list of impacted industries that are eligible for this program. E. Howrigan will follow-up with Red Wagon Plants on this potential source of funds.

There being no other business to properly come before the Corporation, on a motion by P. Elwell, seconded by T. Foster, the meeting adjourned at 11:37 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

By: Sarah C. Isham

Sarah C. Isham, Secretary

VERMONT 504 CORPORATION

Minutes

February 24, 2023

A meeting of the Vermont 504 Corporation convened at VEDA's office on February 24, 2023 beginning at 11:38 a.m. Those Directors present were: D. Marvin; E. Delhagen (designee for J. Tierney); J. Goldstein (designee for L. Kurrle); M. Pieciak; P. Elwell and S. Voigt. Directors present via teleconferencing were: K. Hale; K. Bourgeois; R. Shippee; T. Foster and T. Gallagher. Staff present in VEDA's Montpelier office were: C. Polhemus, President; T. Richardson, Treasurer; S. Croft, Secretary; J. Emens-Butler, Assistant Secretary; S. Buckley, Director of Energy & Broadband Lending; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; E. Denny, Loan Officers: E. Denny, E. Howrigan and M. Dussault; Credit Analysts: J. Harris and J. Shackman; and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing were: C. Houchens, Chief Risk and Resource Officer and Loan Officers: E. Hall and C. Leonard. Directors T. Gallagher, R. Shippee and C. Carpenter have commercial lending experience. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Item

1. Minutes of January 27, 2023

Informational Item

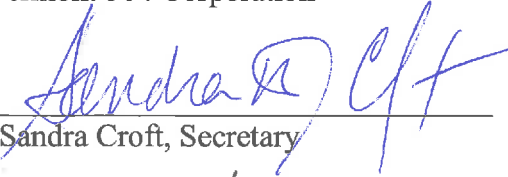
2. Staff Authority – CA Other Business

On a motion by P. Elwell, seconded by K. Hale, the Minutes of the January 27, 2023 Vermont 504 Corporation meeting were approved as presented by those Directors of the Corporation present by a vote of 11 to 0 with M. Pieciak abstaining.

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 11:40 a.m.

ATTEST:

Vermont 504 Corporation

By: 
Sandra Croft, Secretary

By: 
Vermont 504 Corporation Director

VERMONT SMALL BUSINESS DEVELOPMENT CORP.

Minutes

February 24, 2023

A meeting of the Vermont Small Business Development Corp. (VSBDC) convened on February 24, 2023 beginning at 11:41 a.m. Those Director present were: E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designed for L. Kurrle); M. Pieciak; P. Elwell and S. Voigt. Directors present via teleconferencing were: K. Hale; K. Bourgeois; R. Shippee and T. Foster and T. Gallagher. Staff present in VEDA’s Montpelier office were: C. Polhemus, President; T. Richardson, Treasurer; S. Croft, Secretary; J. Emens-Butler, Assistant Secretary; S. Buckley, Director of Energy and Broadband Lending; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; Loan Officers: E. Howrigan, E. Denny and M. Dussault; Credit Analysts: J. Shackman and J. Harris; and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing were: C. Houchens, Chief Risk and Resource Officer and Loan Officers: E. Hall and C. Leonard. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Item

1. Minutes of January 27, 2023

Informational Items

2. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Walker Construction, Inc.	Stowe	\$408,400
DGB Properties, LLC Rutland Naturopathic, PLLC	Rutland	\$88,000

3. Staff Authority – Other Business

On a motion by J. Goldstein, seconded by P. Elwell, the Minutes of the January 27, 2023 meeting were approved as presented by those Directors of the Corporation present by a vote of 12 to 0.

There being no other business to properly come before the Corporation, on a motion by S. Voigt, seconded by D. Marvin, the meeting adjourned at 11:43 a.m.

ATTEST:

Vermont Small Business Development Corp.

By: 
Sandra Croft, Secretary