

VERMONT ECONOMIC DEVELOPMENT AUTHORITY  
LOAN COMMITTEE

Minutes

April 14, 2023

A meeting of the Vermont Economic Development Authority's Loan Committee convened on April 14, 2023 beginning at 9:03 a.m. Those Committee Members present via teleconferencing: S. Voigt, Chair; C. Carpenter; E. Delhagen (designee for J. Tierney); J. Goldstein (designee for L. Kurrle) and R. Shippee. Member joining the meeting later via teleconferencing: M. Pieciak. Staff present in VEDA's office: P. Samson, Chief Lending Officer; S. Isham, Director of Agricultural Lending; S. Buckley, Director of Energy and Broadband Lending; J. Emens-Butler, Director of Closing; E. Denny, Senior Commercial Loan Officer; J. Harris, Commercial Credit Analyst and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing: C. Polhemus, Chief Executive Officer; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Risk and Resource Officer; S. Croft, Deputy Director of Commercial Lending; E. Howrigan, Agricultural Loan Officer and J. Shackman, Senior Commercial Credit Analyst. Those Members of the Committee present constituted a quorum.

Minutes of November 18, 2022

On a motion by R. Shippee, seconded by J. Goldstein, the Minutes of the November 18, 2022 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 5 to 0.

At 9:04 a.m. M. Pieciak joined the meeting via teleconferencing.

Loan Presentation:

Rider's Outpost LLC (The) – Subchapter 5 (VEDA) Loan – Waitsfield – \$1,000,000

E. Denny explained The Rider's Outpost LLC of Waitsfield is requesting a \$1,000,000 Subchapter 5 loan due to increased project costs in Phase I of a renovation project located in Waitsfield, Vermont and the completion of Phase II, which includes site work, installation and purchase of tiny homes and tents.

After discussion regarding local competition, tourist dependency, wastewater system and required permits, on a motion by J. Goldstein, seconded by M. Pieciak, the above loan was approved by those Members of the Committee present by a vote of 5 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.

Loan Presentation:

Lucas Dairy, LLC and Jonathan Lucas – Orwell – Farm Ownership Loans (VACC) – \$1,250,000 & \$575,000; Other Business: – Renew \$80,000 Operating Line of Credit & \$50,000 Capital Line of Credit

S. Isham informed the Members that she was recently notified that the Farm Service Agency (FSA) is pausing the approval of any direct or FSA guaranteed loans due to a recent ruling by a federal court on a case in South Dakota. Conversations with FSA are ongoing.

E. Howrigan explained Lucas Dairy, LLC and Jonathan Lucas as co-borrowers are requesting a \$1,250,000 Farm Ownership Loan for the purchase of the Audet home farm located in Orwell, Vermont, and a \$575,000 Farm Ownership Loan to purchase three land parcels, including a parcel with employee housing located in Orwell, Vermont. Both loans will be secured by the subject real estate to be purchased with the loan proceeds, and a shared security interest in all the Borrower's chattel assets.

E. Howrigan further explained Lucas Dairy, LLC and Jonathan Lucas are requesting a one-year renewal of their Operating Line of Credit in the amount of \$80,000 and renewal of their Capital Line of Credit in the amount of \$50,000. The Lines of Credits are secured by all chattel assets.

After discussion regarding the implications of the FSA court case, capital improvements and potential grants, conservation easement with the Vermont Land Trust, and environmental assessments, on a motion by R. Shippee, seconded by E. Delhagen, the two Farm Ownership Loan requests and renewals of the Operating Line of Credit and Capital Line of Credit were approved by those Members of the Committee present by a vote of 5 to 0 with the Chair abstaining.

Loan Presentation:

BVR, LLC – Bolton Valley – VSBDC – \$360,000

S. Buckley explained BVR, LLC is requesting \$360,000 to finance repairs to its Base Lodge. VSBDC's financing will be split into a \$160,000 loan funded with IRP (revolved) funds and a \$200,000 loan, not funded with IRP. VSBDC will be secured by a 3<sup>rd</sup> mortgage on commercial real estate owned by BVR, LLC and located in Bolton, Vermont subject only to VEDA's first and second mortgages.

After discussion regarding funding sources, timing for construction and available labor, on a motion by R. Shippee, seconded by M. Pieciak, the above loan request was approved by those Members of the Committee present by a vote of 5 to 0 with the Chair abstaining.

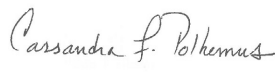
Other Business

C. Polhemus indicated that VEDA will be offering an optional lunch and orientation for all Members following the April Board Meeting, noting all are welcome to attend.

There being no other business to properly come before the Committee the meeting adjourned at 9:44 a.m.

ATTEST:

Vermont Economic Development Authority

By: 

Cassandra F. Polhemus, Chief Executive Officer