

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

October 27, 2023

A meeting of the Vermont Economic Development Authority (VEDA) convened at The Essex Resort & Spa in Essex, Vermont on October 27, 2023, beginning at 9:11 a.m. Members present: T. Foster, Chair; A. Eastman (designee for A. Tebbetts); C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); K. Bourgeois; K. Hale; P. Elwell; R. Shippee; S. Voigt; T. Gallagher and T. Collier. Staff present: 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; A. Wood, Deputy Director of Agricultural Lending; S. Croft, Deputy Director of Commercial Lending; J. Emens-Butler, Director of Closing; E. Denny, Senior Commercial Loan Officer; Credit Analysts: J. Harris and J. Shackman; and A. Wright, Executive Assistant and Facilities Manager. Those Members present constituted a quorum.

CEO's Report

C. Polhemus provided an update on the acquisition of NCIC by the New Hampshire Community Loan Fund, subject to regulatory approval including the USDA.

C. Polhemus provided an update on staffing changes, including the current opening for an administrative assistant position.

Next, C. Polhemus addressed two follow-up items from the Strategic Planning Retreat held last month: a decision by the Executive Committee on full board meeting cadence; and revisions to the draft strategic plan to incorporate Member feedback.

S. Voigt indicated the Executive Committee met earlier in the week and shared considerations for meeting cadence while maintaining efficiency, business relationships and further opportunities. S. Voigt informed Members of the Executive Committee's decision for quarterly meetings, one of which will be a full day meeting. This decision is consistent with discussion during the September Planning Meeting regarding the desire to have an engaged board. The Loan Committee will meet twice per month except during months of the full board meetings during which the full Board will continue to vote on loan decisions. S. Voigt reminded Members that any Member can attend a Loan Committee meeting and there are vacancies on the

Loan Committee should anyone else like to join. A 2024 meeting schedule was shared with Members.

Member Area Review

E. Delhagen provided an update of the Department of Public Service including their recent application to the Environmental Protection Agency under the “Solar for All” allocation.

Next, E. Delhagen noted the Department’s 2023 Vermont Energy Report, which is due to be posted on-line in the coming days.

K. Hale noted the challenges in the banking industry due to the interest rate environment. T. Gallagher noted the same, indicating this is a good time to reach out regarding participation opportunities.

J. Goldstein noted the announcement by the EPA earlier this week that UVM, in collaboration with Global Foundries, was designated one of 31 Tech Hubs across the country. This designation has the potential to bring significant grant funds to support work in the semiconductor industry. Next, J. Goldstein noted the business assistance program (BEGAP) for flood victims has closed. In closing, J. Goldstein noted the Community Revitalization Initiative has approximately \$8 million of the \$40 million remaining.

Consent Agenda

Approval Item

1. Minutes of August 25, 2023
2. Resolution: Document Signers

Informational Items

3. Staff Authority – Loan Approval

Name	Town	Program	Loan Amount
Wardsboro Solar LLC	Wardsboro	Com Energy	\$235,637

4. Staff Authority – Other Business
5. Staff Authority – Other Affiliate Programs – Loan Approval

Name	Town	Program	Loan Amount
Vermont Land Trust, Inc.	Montpelier	CWSRF	\$2,000,000

VEDA Board Meeting – October 27, 2023

On a motion by J. Goldstein, seconded by T. Collier, the Minutes of August 25, 2023, were approved by those Members of the Authority present by a vote of 12 to 0 with the Chair abstaining.

On a motion by J. Goldstein, seconded by T. Collier, the Document Signers Resolution was approved by those Members of the Authority present by a vote of 12 to 0 with the Chair abstaining.

Resolution

RESOLVED, that pursuant to Article IV, Section 5 of the Authority's Bylaws, Renée Grzankowski, Chief Operations Officer, Jennifer Emens-Butler, Director of Closing, Elizabeth Russell, Loan Closing Officer and Shirley Moore, Loan Closing Officer, be and each of them hereby is authorized to act as the Authority's agent for the purpose of signing, acknowledging and delivering contracts, written documents and instruments, commitments, deeds, mortgages and mortgage discharges, subordinations and all manner of written agreements for and on behalf of the Authority.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through September 30, 2023 of \$515.9 thousand was unfavorable to budget by \$498.1 thousand. Net Interest Income of \$1,458.3 thousand was unfavorable to budget by \$269.0 thousand. Other Income of \$140.5 thousand was on budget.

Credit Quality Report

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

Credit Risk Classification Report – 1st Quarter FY2024

Staff's Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 1st Quarter of FY2024 ended September 30, 2023 included recommended loan loss reserves in the amount of \$2,091.4 million, a \$9.3 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by S. Voigt, seconded by P. Elwell, the loan loss reserve recommendation was approved by those Members of the Authority present by a vote of 12 to 0 with the Chair abstaining.

Giri Hotel White River HEX 121 LLC – Hartford – Subchapter 5 Loan – \$1,000,000

E. Denny explained that this loan and the loan below are two related entities and for ease she presented both requests at the same time, but separate votes were taken by the Members on the two loans.

E. Denny indicated Giri Hotel White River HEX 121 LLC has requested a \$1,000,000 Subchapter 5 Loan for their purchase of The Holiday Inn Express & Suites located in Hartford, Vermont. The loan will be secured by a second mortgage on Project land and buildings, a second security interest in all of the borrower's now owned and thereafter acquired business assets subject to the security interest of Union Bank, assignment of the Franchise Agreement between IHG Hotels & Resorts and the borrower, and Assignment of the Management Agreement between the borrower and Giri Hotel Management LLC.

Discussion ensued on loan pricing, applicant's experience and financial strength, and collateral.

On a motion by J. Goldstein, seconded by S. Voigt, the Subchapter 5 loan was approved by those Members of the Authority present by a vote of 11 to 0 with K. Hale and 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.

Giri White River 91 LLC – White River Junction – Subchapter 5 Loan – \$787,200

E. Denny explained Giri White River 91 LLC has requested a \$787,200 Subchapter 5 Loan for the purchase of The White River Inn & Suites located in White River Junction, Vermont. The loan will be secured by a second mortgage on Project land and buildings owned by the borrower subject to the first mortgage of Union Bank, second security interest in all of the borrower's now owned and hereafter acquired business assets subject to the security interests of Union Bank, assigned of any future Franchise Agreement between the borrower and the franchisor, and assignment of the Management Agreement between the borrower and Giri Hotel Management.

On a motion by A. Eastman, seconded by J. Goldstein, the Subchapter 5 loan was approved by those Members of the Authority present by a vote of 11 to 0 with K. Hale and 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;

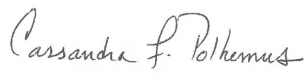
(9) The mortgagor has made adequate provision for insurance protection of the project while the loan is outstanding; and

(10) The loan will be without unreasonable risk of loss to the Authority. Such findings when adopted by the Authority shall be conclusive.

There being no other business to properly come before the Authority, on a motion by K. Hale, seconded by S. Voigt, the meeting adjourned at 10:48 a.m.

ATTEST:

Vermont Economic Development Authority

By: 
Cassandra F. Polhemus, Chief Executive Officer

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

October 27, 2023

A Meeting of the Vermont Agricultural Credit Corporation (VACC) convened on October 27, 2023, beginning at 11:11 a.m. Directors present: T. Foster, Chair; A. Eastman (designee for A. Tebbetts); C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; P. Elwell; R. Shippee; S. Voigt; T. Gallagher and T. Collier. Staff present: 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; E. Denny, Senior Commercial Loan Officer; Credit Analyst: J. Harris and J. Shackman and A. Wright, Executive Assistant and Facilities Manager. Those Directors present constituted a quorum.

Consent Agenda

Approval Item

1. Minutes of August 25, 2023
2. Election of Officers

Informational Items

3. Board Loan Committee – Approvals

Name	Town	Loan Amount
Heffernan Family Sugarworks, LLC; Heffernan, William J. and Juliet L.	Starksboro	\$250,000

4. Staff Authority – Loan Approvals

Name	Town	Loan Amount
LLC to be formed; Ibanez, Jennifer and Tareque, Henry	Brattleboro	\$624,000
Verse River Logging, LLC; Nix, Edward J. and Rubinfeld, Benjamin	Bradford	\$60,000
Borderline Harvesting LLC and Rainville, Paul A.	Swanton	\$108,500
Whitcomb, David L. and Amie J.	Starksboro	Loan 1 - \$ 87,500 Loan 2 - \$547,000

K & M Scenic View Farm, LLC; Ingwersen, Kurt M. and Ingwersen, Michael A.	Addison	\$50,000
Kehoe, Dan M. and Corinne E.	Weybridge	\$20,000
Lanfear Maple Products, Inc. and Lanfear, Christopher	West Rutland	\$185,000

- 5. Staff Authority – Other Business
- 6. Staff Authority – Loan Denials

On a motion by T. Collier, seconded by S. Voigt, the Minutes of August 25, 2023, were approved as presented to those Directors of the Corporation present by a vote of 12 to 0 with the Chair abstaining.

On a motion by T. Collier, seconded by A. Eastman, the following resolution was approved as presented by those Directors of the Corporation present by a vote of 13 to 0.

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
Shirley Moore

FURTHER BE IT RESOLVED, that pursuant to Article III, Section 6 of the Vermont Agricultural Credit Corporation (“VACC”) Bylaws, Renée Grzankowski, VEDA Chief Operations Officer, Jennifer Emens-Butler, VEDA Director of Closing, Elizabeth Russell, VEDA Loan Closing Officer and Shirley Moore, VEDA Loan Closing Officer, be and each of them hereby is appointed to the office of Assistant Secretary of VACC, and thereby authorized and empowered to sign, acknowledge and deliver contracts, written documents and instruments,

commitments, deeds, mortgages and mortgage discharges, subordinations and all manner of written agreements for and on behalf of VACC.

Credit Risk Classification Report

Staff's Credit Risk Classification Report recommendation for VACC for the 1st Quarter of fiscal year 202 (ended September 30, 2023) included recommended loan loss reserves in the amount of \$1,364.3 million, reflecting a \$129.4 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by K. Hale, seconded by S. Voigt, the recommendation was approved by those Directors of the Corporation present by a vote of 12 to 0 with the Chair abstaining.

Agricultural Update

A. Eastman indicated that the Department of Agriculture bulletin board is now on-line and includes Farm Feed-Finder Marketplace listings for individuals affected by the summer flood and others wishing to buy or sell feed. Next, A. Eastman noted farm worker relief payment assistance is available and migrant workers will hopefully be back in the spring and eligible for the payments. Also available on the Department's website are grant opportunities for Working Land Enterprise Board grants. Applications for Business Emergency Gap Assistance (BEGAP) application are in the approval process, with estimated damages for claims over \$17 million. Payments for the Dairy Relief Program are also being processed with the last of the checks being mailed in the next couple of weeks. A. Eastman closed her update noting the Department is back in its Montpelier office, which was flooded earlier this summer.

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 11:18 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

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

VERMONT 504 CORPORATION

Minutes

October 27, 2023

A meeting of the Vermont 504 Corporation convened on October 27, 2023 beginning at 11:09 a.m. Directors of the Corporation present: A. Eastman (designee for A. Tebbetts); C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; P. Elwell; R. Shippee; S. Voigt; T. Foster; T. Gallagher and T. Collier. Staff present: 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; E. Denny, Senior Commercial Loan Officer; Commercial Credit Analyst: J. Harris and J. Shackman, and A. Wright, Executive Assistant and Facilities Manager. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Item

1. Minutes of August 25, 2023
2. Election of Chair, Vice Chair and Officers

Informational Items

3. SBA CA Loan Program – Risk Based Review Report

On a motion by T. Collier, seconded by S. Voigt, the Minutes of the August 25, 2023 Vermont 504 Corporation were approved as presented by those Directors of the Corporation present by a vote of 13 to 0.

On a motion by A. Eastman, seconded by P. Elwell, the following resolution was approved by those Director of the Corporation present by a vote of 13 to 0.

Resolution

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

Chair: Ted Foster

Vice Chair: Karyn Hale

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
Shirley Moore

FURTHER BE IT RESOLVED, that pursuant to Article IV, Section 9 of the Vermont 504 Corporation (“VT 504”) Bylaws, Renée Grzankowski, VEDA Chief Operations Officer, Elizabeth Russell, VEDA Loan Closing Officer and Shirley Moore, VEDA Loan Closing Officer, be and each of them hereby is appointed to the office of Assistant Secretary of VT 504, and thereby authorized and empowered to sign, acknowledge and deliver contracts, written documents and instruments, commitments, deeds, mortgages and mortgage discharges, subordinations and all manner of written agreements for and on behalf of VT 504.

Credit Risk Classification Report – 1st Quarter FY2024

Staff’s Credit Risk Classification Report recommendations for the Vermont 504 Corporation for the 1st Quarter of FY2024 (ended September 30, 2023) included recommended loan loss reserves in the amount of \$152.8 thousand, reflecting a \$200 thousand increase from the prior quarter.

VERMONT 504 CORPORATION Minutes – October 27, 2023

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 11:10 a.m.

ATTEST:

Vermont 504 Corporation

By: 

Sandra Croft, Secretary

VERMONT SMALL BUSINESS DEVELOPMENT CORP.

Minutes

October 27, 2023

A meeting of the Vermont Small Business Development Corp. (VSBDC) convened on October 27, 2023 beginning at 10:49 a.m. Directors of the Corporation present: A. Eastman (designee for A. Tebbetts); C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; K. Hale; K. Bourgeois; P. Elwell; R. Shippee; J. Goldstein (designee for L. Kurrle); S. Voigt; T. Foster; T. Gallagher and T. Collier. Staff present: 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; E. Denny, Senior Commercial Loan Officer; Commercial Credit Analyst: J. Harris and J. Shackman; and A. Wright, Executive Assistant and Facilities Manager. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Item

1. Minutes of August 25, 2023
2. Election of Officers

Informational Items

3. Staff Authority – Loan Approvals

Name	Town	Loan Amount
891 N Main Property, LLC	Barre	\$374,000
Babin LLC QM Store Inc.	Barre	\$68,784
B.I.Y.D Properties L.L.C	New Haven	\$34,000
Blue Moon Property Group LLC	Ferrisburg	\$278,000

4. Staff Authority – Other Business

On a motion by S. Voigt, seconded by T. Foster, the Minutes of August 25, 2023 Meeting were approved by those Directors of the Corporation present by a vote of 13 to 0.

On a motion by J. Goldstein, seconded by A. Eastman, the following resolution was approved as presented by those Directors of the Corporation present by a vote of 13 to 0.

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 Shirley Moore

FURTHER BE IT RESOLVED, that pursuant to Article III, Sections 1 and 9 of the Vermont Small Business Development Corporation (“VSBD C”) Bylaws, Renée Grzankowski, VEDA Chief Operations Officer, Jennifer Emens-Butler, VEDA Director of Closing, Elizabeth Russell, VEDA Loan Closing Officer and Shirley Moore, VEDA Loan Closing Officer, be and each of them hereby is appointed to the office of Assistant Secretary of VSBD C, and thereby authorized and empowered to sign, acknowledge and deliver contracts, written documents and instruments, commitments, deeds, mortgages and mortgage discharges, subordinations and all manner of written agreements for and on behalf of VSBD C.

Credit Risk Classification Report – 1st Quarter FY2024

Staff’s Credit Risk Classification Report recommendation for the Vermont Small Business Development Corp. for the 1st quarter of fiscal year 2024 (ended September 30, 2023) included recommended loan loss reserves in the amount of \$814 thousand, reflecting a \$38.9 thousand increase from the prior quarter.

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

Greenway Incubator, LLC – Montpelier – VSBD – \$1,000,000

P. Samson indicated Greenway Incubator, LLC is requesting a \$1,000,000 VBDC loan as part of a project to purchase two buildings, 62 Ridge Street and 32 College Street, both in Montpelier, Vermont. The Subject will allow sufficient space for the future growth of the Greenway Institute for Equity and Sustainability (GCES), a sustainable engineering program.

Discussion ensued regarding potential for campus and downtown revitalization, rolling tenancy periods, clean energy, efficiency and new energy technology associated with the project.

On a motion by T. Collier, seconded by E. Delhagen, the VSBD loan request was approved by a vote of 13 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 11:08 a.m.

ATTEST:

Vermont Small Business Development Corp.

By: 

Sandra Croft, Secretary