

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

April 26, 2024

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's Montpelier office on April 26, 2024 beginning at 9:30 a.m. Members present: K. Hale, Acting Chair; A. Eastman (designee for A. Tebbetts); E. Delhagen (designee for J. Tierney); D. Marvin; D. Fitzko; J. Goldstein (designee for L. Kurrle); K. Bourgeois; P. Elwell; R. Shippee and T. Collier. Members present via teleconference: T. Foster. Members joining the meeting later in VEDA's Montpelier office: M. Pieciak. Staff Present: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; S. Buckley, Director of Energy and Broadband Lending; S. Croft, Deputy Director of Commercial Lending; P. Fitzgerald, Director of Loan Resolution; J. Emens-Butler, Director of Closing; Loan Officers: E. Denny; C. Leonard and E. Howrigan; J. Harris, Commercial Credit Analyst and A. Wright, Executive Assistant and Facilities Manager. Those Members present constituted a quorum.

CEO's Report

C. Polhemus opened her report with an update on the VEGI Program, currently in H.10, noting the change in loan loss reserves and the risk this poses to VEDA. The current VEGI program is due to sunset unless an extension is approved.

J. Goldstein discussed the potential for a \$5 million flood recovery program through ACCD. If approved, VEDA could possibly administer this grant program.

(At 10:00 a.m. M. Pieciak joined the meeting.)

Next, C. Polhemus provided the Approvals and Closing Volume report through March 31, noting some larger projects are delayed for various reasons. The agricultural pipeline is growing in terms of volume and diversification.

C. Polhemus closed her report reflecting on the housing crisis discussion from the January board meeting and outlined several examples of the project types VEDA is able to help housing within the limitations of current statute.

Member Area Review

M. Pieciak informed Members he is working with the legislature on a bill which would create a LIAC-like fund using 2.5% of the State’s average deposits for climate resiliency, flood mitigation and clean energy generation projects.

E. Delhagen noted Vermont will receive \$62.45 million in residential roof top solar funding from the Solar for All program, a project introduced by Senator Sanders. This multi-year award will provide funding for installation of solar rooftops, expanding the Acre Program and partnering with VHFA to develop solar for multi-family projects. Guidance from the EPA is expected over the next couple of weeks, with the main focus of this program designed for low-income Vermonters.

Consent Agenda

Approval Item:

1. Minutes of January 26, 2024

Informational Items:

2. Staff Authority – Loan Approvals

Name	Town	Program	Loan Amount
Blake Hill Farm Products, LLC	Windsor	Subchapter 5	Loan 1: \$880,000 Loan 2: \$294,606 Loan 3: \$143,553
Waybury Inn Legacy LLC Easy Middlebury Three LLC	East Middlebury	Subchapter 5	\$480,000

3. Staff Authority – Other Business

On a motion by T. Collier, seconded by M. Pieciak, the Minutes of the January 26, 2024 meeting were approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

Strategic Plan – 3rd Quarter FY2024

C. Polhemus noted the progress made on the strategic plan to date as well as what is underway for quarter four.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income (Loss) before fair value adjustment for investments through March 31, 2024 of \$331.7 thousand was unfavorable to budget by \$383 thousand. Net Interest Income of \$4.570 thousand was unfavorable to budget by \$751.5 thousand. Other Income of \$446.8 thousand was favorable to budget by \$28.6 thousand.

Credit Quality Report

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

VEDA's Mission v. Risk Tolerance, Capital Adequacy and SSBCI Impacts

T. Richardson provided a review of VEDA's capital growth over the past four years, primarily due to the SSBCI funds, providing an opportunity for additional mission-based initiatives. Richardson noted total assets have remained stable and capital has grown by fifty percent. Potential mission-based opportunities for high impact uses of the capital moving were presented for discussion purposes.

Resolution – TD Bank \$20 Million Line of Credit Renewal / Authorization

T. Richardson presented the Certificate of Manager to the Members. On a motion by T. Collier, seconded by J. Goldstein, the Resolution was approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

CERTIFICATE OF MANAGER
OF
VERMONT ECONOMIC DEVELOPMENT AUTHORITY

I, Cassandra Polhemus, do hereby certify that I am the duly appointed and acting Manager of Vermont Economic Development Authority, a body corporate and politic and a public instrumentality of the State of Vermont (the “Authority”), charged by 10 VSA s. 215(1) to keep minutes of the Authority’s proceedings, and that as Manager I have custody of the records and minutes of such proceedings. In such capacity, I DO HEREBY CERTIFY the following Resolutions were duly adopted by the Members of the Authority at a special meeting of the Members held April 26, 2024, and such Resolutions remain in full force and effect and have not been amended, altered, modified, replaced, revoked or rescinded as of the date hereof:

RESOLVED, that the Authority is hereby authorized to extend the Maturity Date of the revolving line of credit facility with TD Bank N.A. (“TD”) evidenced by the Loan and Security Agreement between the Authority and TD dated March 24, 2016, as amended (“LSA”) for an additional two (2) years, to April 30, 2026, in order to provide working capital to promote growth of the Authority’s loan portfolio; and

BE IT FURTHER RESOLVED, that the Authority is hereby authorized to execute and deliver to TD the Sixth Amendment to the Loan and Security Agreement dated as of April 30, 2024 upon such terms and conditions as the Manager and Chief Executive Officer shall determine to be prudent and advisable; and

BE IT FURTHER RESOLVED, that Cassandra Polhemus, Manager and Chief Executive Officer and Thaddeus Richardson, Chief Financial Officer be and they are hereby authorized on behalf of the Authority to execute and deliver all such documents, instruments, certificates, agreements and returns as may be necessary or desirable in order to carry out the transactions contemplated by the foregoing resolutions.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of April, 2024.

Cassandra Polhemus, Manager

(At 11:07 a.m. P. Elwell exited the meeting.)

Credit Risk Classification Report – 3rd Quarter FY2024

Staff’s Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 3rd Quarter of FY2024 (ended March 31, 2024) included recommended loan loss reserves in the amount of \$2,016.6 million, a \$61.7 thousand decrease from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by J. Goldstein, seconded by R. Shippee, the loan loss reserve recommendation was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Loan Committee Nominees

K. Hale noted that T. Foster, Chair of the Authority, has nominated K. Bourgeois and P. Elwell to serve as Members of the Loan Committee.

On a motion by J. Goldstein, seconded by M. Picciak, K. Bourgeois and P. Elwell were elected to serve on the Loan Committee by a vote of 10 to 0 with the Chair abstaining.

(At 11:11 a.m. P. Elwell rejoined the meeting.)

There being no other business to properly come before the Authority, on a motion by T. Collier, seconded by K. Bourgeois, the meeting adjourned at 11:12 a.m.

ATTEST:

Vermont Economic Development Authority

By: _____
Cassandra F. Polhemus, Chief Executive Officer

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

April 26, 2024

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at VEDA's Montpelier office on April 26, 2024 beginning at 11:13 a.m. Directors of the Corporation present: K. Hale, Acting Chair; A. Eastman (designee for A. Tebbetts); E. Delhagen (designee for J. Tierney); D. Marvin; D. Fitzko; J. Goldstein (designee for L. Kurrle); K. Bourgeois; M. Pieciak; P. Elwell; R. Shippee and T. Collier. Directors of the Corporation present via teleconference: T. Foster. Staff present: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Isham, Secretary; J. Emens-Butler, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; A. Wood, Deputy Director of Agricultural Lending; S. Croft, Deputy Director of Commercial Lending; S. Buckley, Director of Energy and Broadband Lending; P. Fitzgerald, Director of Loan Resolution; Loan Officers: C. Leonard, E. Howrigan and E. Denny; H. Harris, Agricultural Credit Analyst and A. Wright, Executive Assistant and Facilities Manager. Those Directors present constituted a quorum.

Consent Agenda

Approval Item

1. Minutes of January 26, 2024

Informational Items

2. Board Loan Committee – Approval

Name	Town	Loan Amount
Correia Family Limited Partnership; Correia, Anthony H. and Barbara L.; Correia, Jeffrey D. and Correia, Stephen A.	Addison	\$80,000
Lucas Dairy, LLC and Jonathan Lucas	Orwell	\$50,000
Scholten, Roger H. and Patricia J.	Weybridge	Loan 1: \$100,000 Other Bus: \$31,896

3. Staff Authority – Loan Approvals

VACC Minutes – April 26, 2024

Name	Town	Loan Amount
Michael & Lawrence Quesnel, LLC; Quesnel, Michael F. and Quesnel, Lawrence L.	Whiting	\$60,000
Leaping Bear Farm, LLC; Bramhall, Justin H. and Rose, Vanessa K.	Putney	\$25,000
Borderline Harvesting, LLC and Rainville, Paul A.	Swanton	Loan 1: \$37,000 Loan 2: \$100,000

4. Staff Authority – Other Business

On a motion by J. Goldstein, seconded by P. Elwell, the Minutes of the January 26, 2024 meeting were approved as presented to the Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.

Agricultural Update

A. Eastman opened the agricultural update noting S.301 housekeeping bill with VACC language and H.877 that are moving through legislation. Other areas of interest for agriculture include H.706 relating to a ban on seeds coated with neonicotinoid pesticides and S.102 with the right to unionize, with an exemption for ag workers not to strike being considered.

D. Marvin provided an update on the maple season noting the Vermont’s sugaring season was good, except for the southeastern portion of Vermont that experienced warmer climates, with production increasing 140% from last year. The increase in production was generally due to more taps being installed.

T. Foster noted the Vermont Dairy Producers Conference held in February was great.

Credit Risk Classification Report – 3rd Quarter FY2024

Staff’s Credit Risk Classification Report recommendation for VACC for the 3rd Quarter of FY2024 (ended March 31, 2024) included recommended loan loss reserves in the amount of \$1,202.9 million, reflecting a \$2.2 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by P. Elwell, seconded by T. Collier, the recommendation was approved by those Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.

Stonewood Farm, Inc.; Siegrid A. Mertens and Peter K. Stone – Orwell – Operating Loan – \$200,000 – Other Business – Extend Line of Credit Commitment

E. Howrigan presented the \$200,000 loan request of Stonewood Farm, Inc. and its members, Siegrid A. Mertens and Peter K. Stone to refinance the principal balance on their existing line of credit. Stonewood Farm, Inc. also requests a 5-year renewal of the commitment on their \$600,000 VACC line of credit. The proposed loan will be secured by a mortgage lien on two parcels totaling 624 ± and the buildings thereon located in Orwell, Vermont, a shared priority security interest in all borrower's acquired chattel assets, a shared security interest in all of the borrower's accounts receivable, including but not limited to all accounts, deposits accounts, contract rights, intangibles, rights and causes of action now owner or hereby acquired, including all products and proceeds thereof and all insurance proceeds thereof.

After discussion regarding risk mediation and protocols for the Avian Flu, and Stonewood's good transition plan, on a motion by M. Pieciak, seconded by T. Foster, the above loan request was approved by those Directors of the Corporation present 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 M. Pieciak, seconded by T. Foster, the meeting adjourned at 11:39 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

By: _____
Sarah C. Isham, Secretary

VERMONT 504 CORPORATION

Minutes

April 26, 2024

A meeting of the Vermont 504 Corporation convened at VEDA's Montpelier office on April 26, 2024 beginning at 11:40 a.m. Directors of the Corporation present: A. Eastman (designee for A. Tebbetts); E. Delhagen (designee for J. Tierney); D. Marvin; D. Fitzko; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; M. Pieciak; P. Elwell; R. Shippee and T. Collier. Directors present via teleconference: T. Foster. Staff present: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, 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; S. Buckley, Director of Energy and Broadband Lending; P. Fitzgerald, Director of Loan Resolution; Loan Officers: E. Denny; C. Leonard and E. Howrigan, J. Harris, Commercial Credit Analysts 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 January 26, 2024

On a motion by T. Collier, seconded by J. Goldstein, the Minutes of the January 26, 2024 meeting were approved by those Members of the Corporation present by a vote of 12 to 0.

Credit Risk Classification Report – 3rd Quarter FY2024

Staff's Credit Risk Classification Report recommendation for the Vermont 504 Corporation for the 3rd Quarter of FY2024 (ended March 31, 2024) included recommended loan loss reserves in the amount of \$159.4 thousand, reflecting a \$3.4 thousand decrease from the prior quarter.

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

VERMONT 504 CORPORATION Minutes – April 26, 2024

There being no other business to properly come before the Corporation, on a motion by T. Collier, seconded by D. Fitzko, the meeting adjourned at 11:45 a.m.

ATTEST:

Vermont 504 Corporation

By: _____
Sandra Croft, Secretary

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VERMONT SMALL BUSINESS DEVELOPMENT CORP.

Minutes

April 26, 2024

A meeting of the Vermont Small Business Development Corp. (VSBDC) convened at VEDA's Montpelier office on April 26, 2024 beginning at 11:46 a.m. Directors of the Corporation present: A. Eastman (designee for A. Tebbetts); E. Delhagen (designee for J. Tierney); D. Marvin; D. Fitzko; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; M. Pieciak; P. Elwell; R. Shippee and T. Collier. Directors present via teleconference: T. Foster. Staff present: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, 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; S. Buckley, Director of Energy and Broadband Lending; P. Fitzgerald, Director of Loan Resolution; Loan Officers: E. Denny, C. Leonard and E. Howrigan; J. Harris, Commercial Credit Analyst 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 January 26, 2024 Meeting

Informational Item

2. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Medina Station, LLC Goodro Lumber Co, Inc.	Middlebury	\$560,000
LLC to be Formed	Waterbury	\$232,000
Clifford O' Sullivan, LLC	Manchester Center	\$253,750
Buzzy Girl Realty, LLC	Weston	\$380,000

3. Staff Authority – Other Business

On a motion by T. Collier, seconded by P. Elwell, the Minutes of the January 26, 2024 meeting were approved by those Directors of the Corporation present by a vote of 12 to 0.

Credit Risk Classification Report – 3rd Quarter FY2024

Staff's Credit Risk Classification Report recommendation for the Vermont Small Business Development Corp. for the 3rd Quarter of fiscal year 2024 (ending March 31, 2024) included recommended loan loss reserves in the amount of \$891.6 thousand, reflecting a \$2.9 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 Directors of the Corporation present by a vote of 12 to 0.

Loan Presentations:

1859 Stowe Realty Holdings LLC – Idletyme Brewing Company LLC – Stowe – \$268,000

1190 Stowe Realty Holdings, LLC – Flatbread Ventures – Stowe, LLC – Stowe – \$38,000

S. Croft presented the loan requests of 1859 Stowe Realty Holdings LLC and 1190 Stowe Realty Holdings, LLC at the same time as they are affiliated entities.

1859 Stowe Realty Holdings LLC is requesting \$268,000 in financing for renovations of the property located at 1859 Mountain Road in Stowe. The loan will be secured by a mortgage on the project property and a security interest in all business assets of Idletyme.

1190 Stowe Realty Holdings, LLC is requesting \$38,000 in financing for renovations of the property located at 1190 Mountain Road in Stowe. The loan will be secured by a mortgage on the project property and a security interest in all business assets of Flatbread Ventures – Stowe, LLC.

On a motion by T. Collier, seconded by P. Elwell, the 1859 Stowe Realty Holdings LLC and 1190 Stowe Realty Holdings, LLC loan requests were approved by those Directors of the Corporation present by a vote of 12 to 0.

VSBD C Minutes – April 26, 2024

There being no other business to properly come before the Corporation, on a motion by T. Collier, seconded by M. Pieciak, the meeting adjourned at 11:56 a.m.

ATTEST:

Vermont Small Business Development Corp.

By: _____
Sandra Croft, Secretary

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