

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

LOAN COMMITTEE

Minutes

October 18, 2024

A videoconferencing meeting of the Vermont Economic Development Authority's Loan Committee convened on October 18, 2024 beginning at 9:01 a.m. Those Committee Members present via videoconferencing: T. Foster, Chair; A. Eastman (designee for A. Tebbetts); J. Goldstein (designee for L. Kurrle); K. Bourgeois; S. Voigt; R. Shippee; C. Carpenter; P. Elwell; M. Pieciak and E. Delhagen (designee for J. Tierney). Staff present via videoconferencing: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; R. Grzankowski, Chief Operations Officer; J. Emens-Butler, Director of Closing and General Counsel; S. Croft, Director of Credit; S. Buckley Director of Energy and Broadband Lending; M. Harris, Credit Analyst; J. Shackman, Credit Analyst; and J. Harris, Credit Analyst. Those Members of the Committee present constituted a quorum.

Minutes of September 13, 2024

On a motion by J. Goldstein, seconded by R. Shippee, the Minutes of the September 13, 2024 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 6 to 0 with the Chair abstaining and abstentions from E. Delhagen and S. Voigt for not being present on September 13, 2024.

Public Comment

T. Foster opened the meeting to public comments, and there were none.

Executive Session

On a motion by S. Voigt, seconded by C. Carpenter, the Members voted unanimously to enter executive session at 9:03 a.m. in order to consider real estate, third-party confidential and contractual matters, premature public knowledge of which would clearly place VEDA or individuals at a substantial disadvantage. See 1 VSA § 313(a). All staff present via videoconferencing entered the executive session.

At 9:07 M. Pieciak joined the meeting in executive session.

At 9:58 a.m. the Committee exited executive session and the Loan Committee meeting recommenced.

The Vermont Academy – VEDA Commercial Energy Loan – \$3,650,000

On a motion by A. Eastman, seconded by S. Voigt, The Vermont Academy Commercial Energy Loan request for upgrading the school's heating system, secured by real estate assets and with monitoring conditions, was approved by those Members of the Committee present by a vote of 9 to 0 with the Chair abstaining.

Wicor Americas, Inc./Weidmann Electrical Technology Inc. – VEDA Sub 5 Loan – \$5,000,000

On a motion by J. Goldstein, seconded by K. Bourgeois, Wicor Americas, Inc./Weidmann Electrical Technology Inc. loan request for expanding the St. Johnsbury facility through participation with Community National Bank in a new Market Tax Credit financing transaction, was approved by those Members of the Committee present by a vote of 9 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;

Jay Kishan LLC/309 Court Hospitality, LLC, JHM Middlebury, LLC (“Courtyard Middlebury”)
-- \$2,000,000 VEDA Sub 5 Loan

On a motion by K. Bourgeois, seconded by J. Goldstein, the Courtyard Middlebury loan request for purchase of the Courtyard Middlebury as part of a purchase and renovation project, was approved by those Members of the Committee present by a vote of 8 to 0 with the Chair abstaining and abstention by C. Carpenter.

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;

Other Business

C. Polhemus gave an update on the upcoming VEDA 50th Anniversary annual meeting in October.

There being no other business to properly come before the Committee, on a motion by C. Carpenter, seconded by J. Goldstein, the meeting adjourned at 10:06 a.m.

By: *Cassandra F. Polhemus*
Cassandra F. Polhemus, Chief Executive Officer