

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

LOAN COMMITTEE

Minutes

December 10, 2024

A videoconferencing meeting of the Vermont Economic Development Authority's Loan Committee convened on December 10, 2024 beginning at 9:00 a.m. Those Committee Members present via video conferencing: T. Foster, Chair; A. Eastman (designee for A. Tebbetts); C. Carpenter; J. Goldstein (designee for L. Kurrle); K. Bourgeois; R. Shippee and T. Gallagher. Members joining the meeting later: M. Pieciak. Staff present via videoconferencing: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; J. Emens-Butler, General Counsel & Director of Closing; S. Croft, Director of Credit; L. Rollins and E. Denny, Senior Loan Officers; J. Harris and J. Shackman, Credit Analyst and A. Wright, Executive Assistant and Facilities Manager. Staff joining the meeting later: S. Buckley, Director of Energy & Broadband Lending. Those Members of the Committee present constituted a quorum.

Minutes of November 22, 2024

On a motion by T. Gallagher, seconded by K. Bourgeois, the Minutes of the November 22, 2024 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 6 to 0 with the Chair abstaining.

Public Comment

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

Executive Session

On a motion by J. Goldstein, seconded by C. Carpenter, the Members voted unanimously to enter executive session at 9:01 a.m. in order to consider 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 9:02 a.m. M. Pieciak joined the meeting via videoconferencing.

At 9:05 a.m. S. Buckley joined the meeting via videoconferencing.

At 9:43 a.m. the Committee exited executive session.

Onion River Hotel LLC – VEDA – Subchapter 5 Loan – \$2,000,000

On a motion by J. Goldstein, seconded by C. Carpenter the Onion River Hotel LLC Subchapter 5 Loan request in the amount of \$2,000,000 for the purpose of constructing a 115-room Marriott Tribute Hotel in downtown Winooski, as set forth in more detail in the credit memo reviewed by the Members and which loan meets the statutory requirements set forth in 10 V.S.A. § 262 as determined by VEDA staff, was approved by those Members of the Committee present by a vote of 7 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.

Manchester Retail Associates II LLC – VEDA – Subchapter 5 Loan - \$1,283,800

On a motion by T. Gallagher, seconded by K. Bourgeois, the Manchester Retail Associates II LLC Subchapter 5 Loan request in the amount of \$1,283,800 for the purpose of constructing a brewery and taproom in Manchester, as set forth in more detail in the credit memo reviewed by the Members and which loan meets the statutory requirements set for in 10 V.S.A. § 262 as determined by VEDA staff, was approved by those Members of the Committee present by a vote of 7 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.

Greenway Hub, LLC – VSBDC - \$900,000

On a motion by R. Shippee, seconded by A. Eastman, the Greenway Hub, LLC Vermont Small Business Development Corp. (VSBDC) loan in the amount of \$900,000 for the purpose of purchasing a commercial property in Montpelier, as well as a separate 2.88-acre parcel of land located in Montpelier, as set forth in more detail in the credit memo reviewed by the Members was approved by those Members of the Committee present by a vote of 7 to 0 with the Chair abstaining.

Other Business

C. Polhemus thanked Members for their flexibility and understanding to accommodate the rescheduled Loan Committee meeting. Next, C. Polhemus noted the next scheduled Loan Committee meeting of December 20, and the in-person Board meeting scheduled for January 31.

There being no other business to properly come before the Committee, the Members unanimously adjourned the meeting at 9:48 a.m.

By: _____
Cassandra F. Polhemus, Chief Executive Officer

Video transcripts of all meetings will be made available here -
<https://www.youtube.com/@VEDAMeetingArchive>