

VERMONT ECONOMIC DEVELOPMENT AUTHORITY  
LOAN COMMITTEE

Minutes

September 15, 2017

A telephonic meeting of the Vermont Economic Development Authority's Loan Committee originated at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on September 15, 2017 beginning at 9:01 a.m. Those Members of the Committee present via phone were: D. Kurzman, Chair; M. Tuttle; L. Graves; W. Patten; J. Snow; T. Richards; E. Delhagen (designee for J. Tierney) and A. Eastman (designee for A. Tebbetts). Staff members present were: R. Bradley, Chief Executive Officer; C. Polhemus, Chief Operating Officer; C. Brown, Office Manager; T. Porter, Director of Commercial Lending; C. Houchens, Chief Compliance and Loan Review Officer; J. Conklin, Senior Agricultural Loan Officer and S. Buckley, Senior Commercial Loan Officer.

Minutes of August 11, 2017

On a motion by L. Graves, seconded by J. Snow, the minutes for the August 11, 2017 meeting were approved by those Members of the Committee present by a vote of 7 to 0 with the Chair abstaining.

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Zoo Holdings, LLC and Rhino Foods, Inc. – Burlington – Subchapter 5 – \$643,850

<b>Zoo Holdings-RE</b>			
<u>Project Costs</u>		<u>Project Funding</u>	
\$ 5,563,935	Construction - New; 14,064 sq.ft.	\$ 5,015,000	PUB, LIBOR+150bp, floating-12 mo, thereafter PUB Cost of Funds +150BP (3.47%), interest-only 15 months, 135 month term, 240 month amortization
\$ 705,350	Other-Payoff of Existing Debt	\$ 295,000	VEDA; Initial Variable Interest Rate 3.00%; (VEDA Prime Rate -0.75 bp for 2 years then VEDA Prime Rate; (VEDA Prime Rate Currently 3.75%); 135 month Term; interest-only for 15 months, then 240 month Amortization
		\$ 959,285	Equity Investment by Borrower
\$ 6,269,285	Real Estate Project Cost	\$ 6,269,285	Real Estate Project Funding
<b>Rhino Foods, Inc-M&amp;E</b>			
\$ 2,872,500	Machinery, Equipment Furniture and Fixtures	\$ 2,600,000	PUB, LIBOR+150bp, floating-18 mo, thereafter PUB Cost of Funds +150BP (3.47%), interest only 18 months, 78 month term, 60 month amortization
\$ 404,000	Other Soft Costs-Moving	\$ 348,850	VEDA; Initial Variable Interest Rate 3.00%; (VEDA Prime Rate -0.75 bp for 2 years then VEDA Prime Rate; (VEDA Prime Rate Currently 3.75%); 78 month Term; interest-only for 18 months, then 60 month Amortization
\$ -		\$ 327,650	Borrower Equity Investment
\$ 3,276,500	Total M&E Use	\$ 3,276,500	Total M&E Funding
\$ 9,545,785	Total Project Cost	\$ 9,545,785	Total Project Funding

T. Porter explained Zoo Holdings, LLC and Rhino Foods, Inc. of Burlington are requesting \$643,850 in Subchapter 5 financing for the above purposes.

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J. Snow, seconded by L. Graves, made the motion to approve the loan as presented.

After discussion regarding principal guarantees, strength of balance sheet, payment history, debt coverage ratios and reducing the loan rate to VEDA Prime -0.50 bp for 2 years, on a motion by J. Snow, seconded by M. Tuttle, the motion to approve was amended by those Members of the Committee present with the rate change noted above by a vote of 7 to 0 with the Chair abstaining.

Gaines Farm Community Solar LLC – Guilford – Commercial Energy – \$300,000

<u>Project Costs</u>		<u>Project Funding</u>	
\$ 247,000	Machinery, Equipment Furniture and Fixtures	\$ 300,000	VEDA; Initial Variable Energy Interest Rate 3.00%; VEDA Prime Rate -0.75 bp for 2 years then VEDA Prime Rate (VEDA Prime Rate is Currently 3.75%); 120 month Term; and 120 month Amortization
\$ 154,000	Labor	\$ 300,000	Equity Investment by Borrower
\$ 16,500	Design, Permitting, Legal, Professional Fees & Construction Interest		
\$ 160,000	Development Fees		
\$ 22,500	Contingency		
<u>\$ 600,000</u>	Total Project Cost	<u>\$ 600,000</u>	Total Project Funding

S. Buckley explained Gaines Farm Community Solar LLC of Guilford is requesting \$300,000 in Commercial Energy financing for the above purposes. S. Buckley noted there was a change in the term of the loan with the request to amend from a 10 to a 15-year term.

After discussion regarding guarantees, debt service coverage and developer experience, on a motion by J. Snow, seconded by T. Richards, the above request was approved by those Members of the Committee present by a vote of 6 to 0 with the Chair and E. Delhagen abstaining.

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There being no other business to properly come before the Committee, on a motion by L. Graves, seconded by J. Snow, the meeting adjourned at 9:32 a.m.

ATTEST:

Vermont Economic Development Authority

By: \_\_\_\_\_  
Rosalea W. Bradley, Chief Executive Officer

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