

# VERMONT ECONOMIC DEVELOPMENT AUTHORITY

## Minutes

September 29, 2017

A telephonic meeting of the Vermont Economic Development Authority originated at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on September 29, 2017 beginning at 9:31 a.m. Those Members of the Authority present via phone were: D. Kurzman, Chair; T. Gallagher; T. Richards; J. Snow; L. Graves; M. Snyder and B. Pearce. Member E. Delhagen (designee for J. Tierney) was present at VEDA's offices. Staff members present were: R. Bradley, Chief Executive Officer; C. Polhemus, Chief Operating Officer; D. Carter, Chief Financial Officer; C. Brown, Office Manager; T. Porter, Director of Commercial Lending; S. Isham, Director of Agricultural Lending; R. Grzankowski, Director of Operations; Senior Loan Officers: S. Croft and J. Conklin; Loan Officers: E. Denny and M. Corbett and S. Anechiarico, Commercial Credit Analyst. Staff members present via phone were: J. Kimberly, Deputy Director of Agricultural Lending; M. Dussault, Senior Loan Officer; Loan Officers: C. Leonard and E. Paradee, C. Houchens, Chief Compliance and Loan Review Officer; P. Fitzgerald, Credit Specialist and J. Drouin, Commercial Loan Assistant. Members A. Eastman (designee for A. Tebbetts), W. Patten and J. O'Meara Sanders joined the call later.

### Minutes of August 25, 2017

On a motion by T. Gallagher, seconded by L. Graves, the minutes for the August 25, 2017 meeting were approved by those Members of the Authority present by a vote of 6 to 0 with the Chair and E. Delhagen abstaining.

### CEO's Report

#### Planning Meeting

R. Bradley explained staff has been working on, among other things, a comprehensive long-term forecast model which will be presented to the Members at the Planning Meeting on October 13<sup>th</sup> in Burlington.

Annual Meeting

Next, R. Bradley noted the Annual Meeting will be held on Friday, October 27<sup>th</sup> at the DoubleTree Hotel in South Burlington. We will, again, be featuring and sampling some of our borrower products. Governor Scott has been invited to speak.

At 9:33 a.m. A. Eastman and W. Patten joined the call.

At 9:35 a.m. J. O'Meara Sanders joined the call.

Agricultural Loan Updates

R. Bradley provided the Members with an update of a recently denied VACC loan application as well as a VACC borrower bankruptcy. She noted P. Fitzgerald was staying abreast of both situations.

Staff Outreach

Next, R. Bradley explained there are many upcoming Regional Development Corporation annual meetings and VEDA will be well represented at these events. She continued, noting there have also been many conferences, celebrations and meetings that Staff has recently attended.

Board Financial Summary

D. Carter stated loan approvals for the first two months of FY2018 totaled \$32.119 million; \$16.486 million above budget and \$22.322 million above the same period in FY2017. Loans closed for the first two months of FY2018 totaled \$77.246 million; \$8.323 million below budget and \$67.59 million above the same period of FY2017.

D. Carter continued his financial report, explaining Net Operating Income before fair value adjustment for the first two months of FY2018 totaled \$34,900 and was favorable to budget by \$65,800. Investment Income slightly favorable to budget by \$3,200. Other Income was favorable to budget by \$88,900.

At 9:48 a.m. D. Carter left for the remainder of the day.

Board Loan Committee – Approvals

Staff presented the Members with the Internal Board Loan Committee Approval memo.

Staff Authority – Approvals

Staff presented the Members with the Internal Loan Approvals memo.

Staff Authority – Other Business

Staff presented the Members with the Internal Other Business memo.

St. Albans Bay Marina, LLC & St. Albans Bay Lake Homes, LLC – St. Albans – Subchapter 5 – \$1,200,000

<b>Project Costs</b>		<b>Project Funding</b>	
\$ 2,568,000	Construction - New Marina	\$ 1,360,000	Union Bank; 5.25% Interest Rate; 132 month Term; interest-only for 12 months, then 120 month Amortization
\$ 320,000	Renovation of Existing Real Estate	\$ 1,200,000	VEDA; Initial Variable Interest Rate 3.50%; VEDA Prime Rate - 0.25 bp for 2 years then VEDA Prime Rate; (VEDA Prime Rate is Currently 3.75%); 132 month Term; interest-only for 12 months, then 120 month Amortization
\$ 140,000	Legal & Permitting Fees	\$ 468,000	Equity Investment by Borrower
\$ 3,028,000	Total Project Cost	\$ 3,028,000	Total Project Funding

S. Croft explained St. Albans Bay Marina, LLC and St. Albans Bay Lake Homes, LLC of St. Albans are requesting a \$1,200,000 Subchapter 5 loan for the above purposes.

After discussion regarding slip revenue, personal guarantees, community support for the project and the basis for this request, on a motion by J. Snow, seconded by L. Graves, the above request was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

VEDA Minutes –September 29, 2017

There being no other business to properly come before the Authority, on a motion by A. Eastman, seconded by B. Pearce, the meeting adjourned at 10:10 a.m.

ATTEST:

Vermont Economic Development Authority

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

DRAFT