

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

February 25, 2022

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on February 25, 2022 beginning at 9:32 a.m. Members present via video conferencing were: S. Voigt, Chair; T. Foster, E. Delhagen (designee for J. Tierney); R. Shippee; T. Gallagher; K. Hale; C. Carpenter; L. Graves; T. Collier; A. Gagner-Murphy; and J. Goldstein (designee for L. Kurrle). Staff members present via video conferencing were: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; J. Emens-Butler, Director of Closing; S. Isham, Director of Agricultural Lending; S. Croft, Deputy Director of Commercial Lending; Senior Loan Officers: A. Wood and E. Denny; Loan Officers: C. Leonard; E. Paradee and C. Blais; J. Shackman, Senior Credit Analyst; A. Wright, Executive Assistant and Office Manager; A. Miller, Marketing Coordinator and Loan Assistant; and K. Kilpatrick, Administrative Assistant. Also present: J. Cover, Director/Marketing Communication and J. Forand, Public Relations Manager with Junapr. A. Eastman (designee for A. Tebbetts); P. Fitzgerald, Director of Loan Resolution and M. Dussault, Senior Loan Officer joined the meeting later via video conferencing. Those Members present constituted a quorum.

CEO's Report

C. Polhemus opened her report with an introduction of J. Cover and J. Forand with Junapr, noting a presentation would be provided outlining marketing initiatives created by the staff at Junapr.

At 9:33 a.m. A. Eastman and P. Fitzgerald joined the meeting via video conferencing.

Next, C. Polhemus provided a legislative update to the Members. She described the VEDA Forgivable Loan Program, stating the program is included in a larger omnibus economic development bill which also includes other provisions. She continued, noting the Capital Investment Program is currently under debate in the Senate Economic Committee. She stated there was much interest in the program, but it was difficult to meet requirements for funding.

VEDA Minutes – February 25, 2022

Next, C. Polhemus explained the final application has been submitted to receive SSBCI funding and stated work has begun on creating a compliance system for SSBCI.

C. Polhemus continued her report with an explanation of recent staffing changes – J. Conklin has resigned, and J. Harris has been promoted to Commercial Credit Analyst. She continued, noting since the beginning of the COVID pandemic VEDA has onboarded about 20% of its current employees and provided an organizational chart to the Members.

At 9:41 a.m. M. Dussault joined the meeting via video conferencing.

Member Area Review

J. Goldstein opened the Review by providing additional information about the Forgivable Loan Program – noting the program was in response to continued need after the Economic Recovery Bridge Program. She continued, describing other funding opportunities at the state and federal level including Grand List Enhancement, SBIR, and SSBCI.

Marketing Presentation – Junapr

J. Cover and J. Forand explained how Junapr is collaborating with VEDA to increase public awareness of VEDA, including diversity in advertising, through social and traditional media avenues. Discussion ensued regarding the strength of the campaigns with the Members describing seeing VEDA promotions in various publications and online, as well as hearing them on the radio. Discussion continued regarding strategies to increase placements and access more rural locations. C. Polhemus explained the current goal is to strengthen VEDA's brand awareness and add program specific advertising going forward.

J. Cover and J. Forand continued, noting how Junapr is involved in VEDA's social media, earned and paid advertising as well as working with VEDA staff to enhance the VEDA website.

S. Voigt thanked J. Cover and J. Forand for their work and the presentation.

At 10:46 a.m. J. Cover and J. Forand left the meeting for the remainder of the day.

Consent Agenda

Informational Items

1. Board Loan Committee – Approvals

The following loans have been approved by the VEDA Board Loan Committee.

Name	Town	Program	Loan Amount
Two Dot Properties, LLC and Vermont Valhalla Marine, LLC dba North Hero Marina	North Hero	Subchapter 5	\$1,120,000
Middlebury Resource Recovery Center, LLC	Middlebury	Commercial Energy	\$2,000,000
Essex Resort Holdings LLC	Essex	Subchapter 5	\$4,900,000

2. Staff Authority – Other Business

3. Staff Authority – Other Affiliate Programs – Loan Approvals

Name	Town	Program	Loan Amount
Timberline Condominium Homeowners Association, Inc.	Waitsfield	DWSRF	\$ 58,042
Bolton Valley Community Water and Sewer, LLC	Bolton	DWSRF	\$ 100,000
Vermont Land Trust, Inc.	Montpelier	CWSRF	\$2,000,000

4. Staff Authority – Affiliate Loan Programs – Other Business

On a motion by T. Collier, seconded by A. Eastman, the consent agenda was approved as presented by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

Minutes of January 28, 2022

E. Delhagen noted a change was needed at the top of page three. He indicated the current wording made it sound as if the Comprehensive Energy Plan provided resources, which was not the case. He asked to have this wording corrected to the following: He explained the Comprehensive Energy Plan provides informational resources to municipalities and others on renewable energy to allow them to pursue goals outlined in the Climate Action Plan.

VEDA Minutes – February 25, 2022

On a motion by L. Graves, seconded by T. Collier, the minutes of the January 28, 2022 meeting were approved with the correction noted above by a vote of 11 to 0 with the Chair abstaining.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through January 31, 2022 of \$1.9 million was favorable to budget by \$235.2 thousand. Net Interest Income of \$4.7 million was favorable to budget by \$184.8 thousand. Other Income of \$457.0 thousand was favorable to budget by \$44.2 thousand.

Health Care & Rehabilitation Services of Southeastern Vermont, Inc. – Springfield – Subchapter 4 – \$6,845,000 Series A (tax exempt) and \$130,000 Series B (taxable)

P. Samson explained Health Care & Rehabilitation Services of Southeastern Vermont, Inc. is requesting approval of up to \$9,250,000 in Subchapter 4 bond financing to refinance existing bonds. P. Samson explained the resolution requests the \$9.25 million to account for possible increases in project costs before funding. Estimated savings to HCRS from reduced interest is \$1.5 million over the life of the bonds.

On a motion by T. Collier, seconded by R. Shippee, the following resolution was approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

Resolution

A Resolution Authorizing the Issuance and Sale of up to \$9,250,000 of Vermont Economic Development Authority Revenue Bonds (Health Care & Rehabilitation Services of Southeastern Vermont, Inc. Issue), Series 2022A and Series 2022B (Federally Taxable) (together, the “Bonds”), Approving the Forms of Loan Agreement between the Vermont Economic Development Authority (the “Authority”) and Health Care & Rehabilitation Services of Southeastern Vermont, Inc., a Vermont corporation (the “Borrower”) and Trust Indenture between the Authority and Zions Bancorporation, National Association, as Trustee (the “Trustee”), and other Matters.

BE IT RESOLVED BY THE VERMONT ECONOMIC DEVELOPMENT

AUTHORITY AS FOLLOWS:

1. Based upon the information and documentation submitted to the Authority relating to the proposed (i) refunding of the portion of the Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Developmental and Mental Health Services Acquisition Pool) Series 2006A (the “Series 2006A Bonds”) which were issued for the benefit of the Borrower and the proceeds of which financed: (a) the acquisition, construction, equipping and renovation of an approximately 30,000 square-foot building located at 390 River Street, Springfield, Vermont, which is used for the Borrower’s five major program service areas of Mental Health Outpatient, Emergency, Developmental Services, Community Rehabilitation and Alcohol and Drug programs, and its administrative offices; (b) the acquisition of and renovations of an 11,000 square-foot building at 49 School Street, Hartford, Vermont that is used for all of the program service areas noted above except for Emergency; (c) the funding of a reserve account for the Series 2006A Bonds; and (d) the payment of a portion of the costs of issuance of the Series 2006A Bonds; (ii) funding a reserve fund, if any, for the Bonds; and (iii) financing the costs of issuance and other common costs of the Bonds (collectively, the “Project”) for the benefit of the Borrower, including the proposed forms of the Loan Agreement dated as of May 1, 2022 (the “Loan Agreement”) between the Authority on behalf of the State of Vermont (the “State”) and the Borrower and the Trust Indenture dated as of May 1, 2022 (the “Trust Indenture,” and together with the Loan Agreement, the “Agreements”) between the Authority on behalf of the State and the Trustee, a draft Preliminary Official Statement relating to the issuance of the Bonds (the “Official Statement”), and the most recent financial statements of the Borrower, and after giving consideration to the factors enumerated in Section 253(d) of Chapter 12 of Title 10 of the Vermont Statutes Annotated, as amended (the “Act”), the Authority hereby makes the following findings:
 - (a) the Project and its proposed financing are feasible;
 - (b) the acquisition, improvement and operation of the Project will create or preserve employment opportunities directly or indirectly within the State;
 - (c) the Project consists of property of a type which may be financed under Subchapter 4 of the Act;
 - (d) the Borrower has the skills and financial resources necessary to operate the Project successfully;
 - (e) the Agreements contain provisions such that under no circumstances is the Authority or the State obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the facilities except from bond proceeds or from funds received under the Agreements, exclusive of funds received thereunder by the Authority or the State for their own use;
 - (f) the Project plans comply with all applicable environmental, zoning, planning, and sanitary laws and regulations of the Towns of Springfield and Hartford and of the State;

(g) the Agreements do not purport to create any debt of the Authority or the State with respect to the facilities, other than a special obligation of the Authority under the Act;

(h) the proposed financing of the Project by the Authority and the proposed operation and use of the facility will preserve or increase the prosperity of the Towns of Springfield and Hartford and of the State, and will promote the general welfare of citizens of the State; and

(i) the Project satisfactorily meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under Section 280b of the Act.

2. The Chairman, Vice Chairman, Treasurer, or Chief Executive Officer or Manager (each, an “Authorized Officer”) of the Authority, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is singly authorized on behalf of the Authority to execute and deliver the Agreements substantially in the forms presented to this meeting, which forms are hereby approved subject to such changes as may be approved by the signing officer as evidenced by his/her execution of the Agreements.
3. The Chairman or Vice Chairman and the Chief Executive Officer or Treasurer of the Authority are authorized to issue and sell to Raymond James & Associates, Inc., as underwriter (the “Underwriter”), not exceeding \$9,250,000 of its Revenue Bonds (Health Care & Rehabilitation Services of Southeastern Vermont, Inc. Issue), Series 2022A and Series 2022B (Federally Taxable), substantially in the forms set forth in the Agreements authorized above, subject to such changes as may be approved by them as evidenced by their execution of the Bonds.
4. Any Authorized Officer or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is hereby authorized to fix the date and place for sale of all or any part of the Bonds and to sell and award the Bonds at public, private or negotiated sale, and to establish the principal amounts thereof in connection with such sale. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer of the Authority or such designated Member of the Authority is hereby authorized to execute and deliver one or more purchase contracts for the sale of the Bonds containing such provisions as shall be deemed advisable by the officer executing the same, and the execution thereof shall be conclusive as to such determination. Any purchase contract executed and delivered by the Chairman, Vice Chairman, Treasurer or Chief Executive Officer or such designated Member of the Authority shall be final and conclusive as to the purchaser or purchasers of the Bonds and as to the rate or rates of interest per annum to be borne by the Bonds.
5. The Chairman or the Vice Chairman is hereby authorized on behalf of the Authority to approve the Official Statement to be circulated in connection with the sale and delivery of the Bonds, in substantially the form of the draft Official Statement presented at this meeting, subject to such changes as may be approved by the signing officer as evidenced by his or her execution thereof. Use of the Official Statement by the Underwriter in connection with the offering and sale of the Bonds is hereby approved.

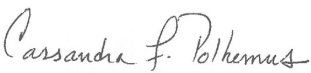
VEDA Minutes – February 25, 2022

6. Zions Bancorporation, National Association, is hereby designated as Trustee, paying agent and registrar for the Bonds. The principal of and redemption premium, if any, and interest on the Bonds shall be payable as provided in the Agreements.
7. The Bonds shall not be issued by the Authority until the Authority receives the approval of the Governor of the State or his designee and the State Treasurer as required by Section 254 of the Act.
8. In lieu of repeating the terms and provisions of the Agreements, they are incorporated herein by reference, and this Resolution shall be deemed to set forth all such terms and provisions to the extent that such terms and provisions may be set forth or are required to be set forth in this Resolution.
9. Any Authorized Officer, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is hereby authorized to execute and deliver any other documents and instruments necessary or convenient in connection with the financing and to do all acts and things necessary to carry out the financing and the Project in accordance with the Agreements and otherwise to effectuate the purposes of this Resolution.
10. This Resolution shall take effect immediately.

There being no other business to properly come before the Authority, on a motion by T. Collier, seconded by T. Foster, the meeting adjourned at 11:13 a.m.

ATTEST:

Vermont Economic Development Authority

By: 

Cassandra F. Polhemus, Chief Executive Officer