

# VERMONT ECONOMIC DEVELOPMENT AUTHORITY

## LOAN COMMITTEE

### Minutes

July 12, 2024

A videoconferencing meeting of the Vermont Economic Development Authority's Loan Committee convened on July 12, 2024 beginning at 9:03 a.m. Those Committee Members present via videoconferencing: T. Foster, Chair; A. Eastman (designee for A. Tebbetts); C. Carpenter; E. Delhagen (designee for J. Tierney); J. Goldstein (designee for L. Kurrle); K. Bourgeois; P. Elwell and R. Shippee. Members joining the meeting later: M. Pieciak and S. Voigt. Staff present via videoconferencing: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; S. Isham, Co-Director of Agricultural Lending; J. Emens-Butler, Director of Closing and General Counsel; S. Croft, Director of Credit, M. Dussault, Senior Loan Officer; J. Shackman, Senior Credit Analyst and A. Wright, Executive Assistant and Facilities Manager. Those Members of the Committee present constituted a quorum.

#### Minutes of June 28, 2024

On a motion by P. Elwell, seconded by C. Carpenter, the Minutes of the June 28, 2024 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 6 to 0 with the Chair abstaining.

#### Executive Session

On a motion by J. Goldstein, seconded by P. Elwell, the Members voted unanimously to enter executive session at 9:05 a.m. in order to consider real estate 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 9:05 a.m. M. Pieciak and S. Voigt joined the meeting.)

On a motion by J. Goldstein, seconded by A. Eastman, the Members voted unanimously to exit executive session at 9:21 a.m.

Jackson Woodstock LLC – Woodstock – Subchapter 5 - \$962,960

A \$962,960 Subchapter 5 loan request for Jackson Woodstock LLC to purchase and renovate a bed and breakfast style property located in Woodstock, Vermont. The loan will be secured by a second mortgage on the Project land and buildings, and a second security interest in all business assets.

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.

On a motion by J. Goldstein, seconded by P. Elwell, the Jackson Woodstock LLC Subchapter 5 loan request was approved by those Members of the Committee present by a vote of 9 to 0 with the Chair abstaining.

Lakshmi Hospitality LLC – Bennington – Subchapter 5 - \$660,000

A \$660,000 Subchapter 5 loan request for Lakshmi Hospitality LLC for the purchase of a motel located in Bennington, Vermont. The loan will be secured by a second mortgage on the Project land and buildings, and a second security interest in all business assets.

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.

On a motion by M. Pieciak, seconded by C. Carpenter, the Lakshmi Hospitality LLC Subchapter 5 loan request was approved by those Members of the Committee present by a vote of 9 to 0 with the Chair abstaining.

Other Business

C. Polhemus noted the July 26 in-person Board meeting will include quarterly updates and a presentation from Junapr, VEDA’s marketing firm.

There being no other business to properly come before the Committee, on a motion by R. Shippee, seconded by C. Carpenter, the meeting adjourned at 9:27 a.m.

*Cassandra F. Polhemus*

By: \_\_\_\_\_  
Cassandra F. Polhemus, Chief Executive Officer

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