

**BOARD OF DIRECTORS MEETING**

**OF THE**

**WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY**

**April 15, 2021**

**West Virginia Economic Development Authority**

**Conference Room**

**180 Association Drive**

**Charleston, West Virginia**

The Board of Directors Meeting of the West Virginia Economic Development Authority was held at 10:00 a.m., April 15, 2021 at the West Virginia Economic Development Authority Conference Room, 180 Association Drive, Charleston, West Virginia.

The following members were present:

Mitch Carmichael	Chairman
Matthew Irby	Secretary
Anne Barth*	Member
Marcus Estlack*	Member
Jeff Vickers**	Member
Joe Eddy**	Member

Others present:

Kris Warner	Executive Director
Caren Wilcher	Associate Director
Steve Webb	Director of Financial Services
Joe Brouse	Loan Officer
Martha Phillips*	Loan Officer
Joey Browning**	Loan Officer
Jackie Browning*	Accountant
Robert Seabolt	Accountant
Tammi Chapman	Documentation Specialist
Karen Wolfe**	Documentation Specialist
Sarah Hartwell**	Accounting Specialist III
Paula Smolder	Executive Assistant
Elizabeth A. Benedetto*	Spilman Thomas & Battle PLLC
Jason Pizatella**	Spilman Thomas & Battle PLLC

\*Joined by videoconference.

\*\*Joined by teleconference.

The meeting was called to order by Chairman Carmichael. Chairman Carmichael noted that a quorum was present and that the meeting could lawfully conduct business.

### **MINUTES**

A motion was made by Ms. Barth to approve and dispense with the reading of the March 18, 2021 board of directors meeting minutes. The motion was seconded by Mr. Eddy and unanimously carried.

### **TREASURER'S REPORT**

Chairman Carmichael asked Mr. Sebolt to present the Treasurer's Report to the board for their review. A motion was made by Mr. Eddy to accept the report as presented. The motion was seconded by Mr. Vickers and unanimously carried.

The Commitments Outstanding list was presented to the board for their review.

### **FINAL APPROVALS**

#### **1) Preston County Economic Development**

Term:	Ten (10) Years	<b>\$ 450,000.00</b>
Rate:	Wall Street Journal Prime x 75%, 2.0% floor, Title IX	

#### **2) TeMa North America, LLC**

Term:	Twenty (20) Years	<b>\$3,429,300.00</b>
Rate:	5-year adjustable rate Initial rate 20-year US Treasury Yield + .75% (2.75% floor), adjust every 5 years	

#### **3) BDC of the Northern Panhandle**

Term:	Fifteen (15) Years	<b>\$ 660,000.00</b>
Rate:	5-year adjustable rate Initial rate 20-year US treasury Yield + .75%	

(2.75% floor),  
adjusts every 5 years

**4) Lost River Meat Company, LLC**

Real Estate: **\$ 684,089.00**

Term: Twenty (20) years

Rate: Wall Street Journal Prime x 75%, 2.0% floor,  
Title IX

Equipment: **\$ 123,142.00**

Term: Ten (10) Years

Rate: Wall Street Journal Prime x 75%, 2.0% floor,  
Title IX

**5) GS Millwork, LLC/Parsons Woodworking, LLC**

Real Estate: **\$ 540,000.00**

Term: Twenty (20) Years

Rate: Wall Street Journal Prime x 75%, 2.0% floor,  
Title IX

Equipment: **\$2,031,750.00**

Term: Ten (10) Years

Rate: Wall Street Journal Prime x 75%, 2.0% floor,  
Title IX

Upon recommendation of staff, a motion was made by Mr. Vickers to grant final approval to the above captioned loans subject to all terms and conditions as set out in the commitment letter. The motion was seconded by Mr. Estlack and unanimously carried.

**OLD BUSINESS**

**Loan Commitment Extensions**

Upon recommendation of the staff, a motion was made by Mr. Eddy to approve the following extensions. The motion was seconded by Ms. Barth and unanimously carried.

<b><u>Date</u></b>	<b><u>Amount</u></b>
<b><u>Approved</u></b>	<b><u>Committed</u></b>

1.)	<b>Development Authority of Mercer County</b> Six (6) month extension New expiration date: 10/31/2021	<b>10/15/2020</b>	<b>\$6,962,531</b>
2.)	<b>Development Authority of Mercer County</b> Six (6) month extension New expiration date: 10/31/2021	<b>10/15/2020</b>	<b>\$8,037,469</b>
3.)	<b>Appalachian Distillery, LLC</b> Three (3) month extension New expiration date: July 31,2021	<b>03/15/2018</b>	<b>\$ 236,540</b>
4.)	<b>Appalachian Distillery, LLC</b> Three (3) month extension New expiration date: July 31,2021	<b>03/15/2018</b>	<b>\$ 178,460</b>
5.)	<b>Lauttamus Holding, Inc.</b> Three (3) month extension New expiration date: July 31,2021	<b>02/21/2019</b>	<b>\$ 650,000</b>

#### **Property and Lease Report**

Ms. Wilcher presented the Property and Lease Report to the board for their review.

#### **Insurance Reports**

Ms. Wilcher presented the Insurance Reports to the board for their review.

#### **West Virginia Private Activity Bond CAP Allocation Report.**

Ms. Wilcher presented the West Virginia Private Activity Bond CAP Allocation Report to the board for their review.

#### **NEW BUSINESS**

A. **Audit Committee's RFP Recommendation**

B. **Audit Contract for the Fiscal Years 2021, 2022 and 2023**

Ms. Barth reported to the board that the Audit Committee had met and reviewed two responses to the Audit Services RFP. She reported that the Audit Committee recommends the approval of the Suttle and Stalnaker, PLLC contract.

A motion was made by Mr. Estlack to approve the Audit Services Contract as presented. The motion was seconded by Mr. Vickers and unanimously carried.

**C. Spilman Thomas & Battle Legal Contract - Amendment**

Mr. Warner presented the board with an amendment to the Spilman Thomas & Battle legal contract. The increase in the contract is due to expenses associated with the legal representation of the agency for workout loans (Applied Partners/Ravenswood and TenX). An increase in the contract would not have been necessary if those workout expenses were not incurred. The agency expects to recover approximately \$80,000 in legal expenses upon the sale of the TenX property.

A motion was made by Mr. Vickers to approve the amendment to the Spilman Thomas & Battles legal contract as presented. The motion was seconded by Ms. Barth and unanimously carried.

**Public Comment Session – None**

**INFORMATIONAL REPORT**

There was no Informational Report.

Pursuant to West Virginia Code 6-9A-4, the Vice Chair will now consider a motion that the WVEDA board enter into executive session for the purpose of discussing the development of property, the investment of public funds or other matters involving commercial competition, which if made public, might adversely affect the financial or other interest of the state or material that would cause an invasion of an individual's privacy if disclosed; or matters involving the purchase or development of property or advance construction planning. A motion was made by Mr. Vickers to go into Executive Session. The motion was seconded by Ms. Barth and unanimously carried.

## GENERAL SESSION

### **The State Armory Board, Benedum Airport Project - Loan Commitment Modification**

A motion was made by Mr. Vickers to approve a \$20,000 increase in the commitment to the State Armory Board, Benedum Airport Project from \$1,400,000 to \$1,420,000. The motion was seconded by Mr. Eddy and unanimously carried.

WHEREAS, the board has determined that the public purpose of the West Virginia Economic Development Authority Act would be met by a loan in the amount of \$1,420,000 to The State Armory Board.

NOW, THEREFORE, BE IT RESOLVED: That the request to modify the loan commitment to The State Armory Board to increase the loan to \$1,420,000 for its Benedum Airport Project is hereby approved.

### **IX. Other Business**

#### **A. WVEDA Loan Policy and Program**

Chairman Carmichael stated the next order of business is review and consideration of updates to the WVEDA Loan Policy and Program (Loan Policy) prepared by WVEDA staff.

The following criteria is specific to job creation and retention which are important factors under the WVEDA lending guidelines:

- The borrower must create or retain one job for every \$75,000 of WVEDA participation.
- The borrower must inject a minimum of 10% equity into the qualifying costs related to real estate and building assets of the project, 20% on equipment and 30% on equipment with specialty uses.
- The loan term is generally 15 years for real estate intensive projects and 5-10 years for equipment projects. Applications are subject to review and approval based upon job creation, job retention and economic benefits to the State of West Virginia, as well as credit evaluation by WVEDA.

The following criteria is specific to the WVEDA Direct Loan Program:

- This loan program is for applicants seeking a minimum WVEDA participation of \$50,000 and a maximum of \$1,000,000.

The following criteria is specific to Major Project Program:

- This loan program is for projects seeking a minimum WVEDA participation of \$1,000,001 and a maximum of \$10,000,000. The interest rate for the WVEDA loan participation amount will be fixed for a period of 5 years, and then will be subject to adjustment every 5 years thereafter during the loan term.

Financing Policies:

- The applicant will be required to certify that it is (they are) in compliance with the Civil Rights Act of 1964 prohibiting discrimination based on race, color, or national origin.

Exceptions to Loan Policy:

- Deviations from the policy must be clearly documented in the Approval Summary. The Approval Summary must identify the exception and state the reason(s) for consideration for the deviation from the policy.

Application fees:

- There will be a non-refundable \$500 application fee due for Direct Lending applications under \$1 million and a non-refundable \$1,000 application fee due for applications over \$1 million. Application fees are due and payable to the WVEDA with the submission of an application.

A motion was made by Mr. Eddy to approve the WVEDA Loan Policy as presented. The motion was seconded by Ms. Barth and unanimously carried.

There being no further business, Mr. Eddy moved that the meeting be adjourned and without objection the Chairman declared the meeting adjourned.



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Matthew R. Irby  
Secretary



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Mitch Carmichael  
Chairman